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Holding Unsecured Claims

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re

**CRYSTAL CATHEDRAL
MINISTRIES, a California non-profit
corporation,**

Debtor and
Debtor-in-Possession.

Case No. 8:10-bk-24771 RK

Chapter 11 Proceeding

**DISCLOSURE STATEMENT DESCRIBING
CHAPTER 11 PLAN FILED BY COMMITTEE
OF CREDITORS HOLDING UNSECURED
CLAIMS**

Disclosure Statement Hearing

DATE: September 14, 2011
TIME: 11:30 a.m.
PLACE: Courtroom 5D
411 West Fourth Street
Santa Ana, CA 92701

**THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE
BANKRUPTCY COURT AND IS NOT A SOLICITATION OF ACCEPTANCES OR
REJECTIONS OF ANY PLAN. IT IS SET FOR HEARING ON SEPTEMBER 14, 2011.**

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I.

INTRODUCTION

Crystal Cathedral Ministries, a California nonprofit corporation ("Debtor"), the debtor and debtor-in-possession herein, commenced its case by filing a voluntary Chapter 11 petition on October 18, 2010 under the United States Bankruptcy Code ("Bankruptcy Code"). On or about October 18, 2010, the Office of the United States Trustee appointed the Committee of Creditors Holding Unsecured Claim (the "Committee").

Chapter 11 allows the Debtor, and under some circumstances, creditors and others parties-in-interest, to propose a plan of reorganization ("Plan"). The Committee is the party proposing the Plan sent to you in the same envelope as this document.

The document that you are reading is the Committee's Disclosure Statement. This Disclosure Statement is furnished for the purpose of soliciting acceptances to the Committee's Plan which has been filed with the Bankruptcy Court. A copy of the Plan accompanies this Disclosure Statement.

Section 1125¹ of the Bankruptcy Code requires that, at the time when the Plan is delivered to Creditors, the Plan be accompanied by this Disclosure Statement. The purpose of this Disclosure Statement is to provide adequate information of a kind, and in sufficient detail, so far as is reasonably practicable, in light of the nature and history of the Debtor and the condition of the Debtor's books and records, to enable a typical Creditor to make an informed judgment about the Plan and to enable such Creditor to determine whether it is in its best interest to vote for (accept) or against (reject) the Plan.

This Disclosure Statement contains a description of the Plan and other information relevant to the decision whether to vote to accept or to reject the Plan. The Committee urges you to read this Disclosure Statement because it contains important information concerning the Debtor's history, business, assets and liabilities, projected financial performance, and sets forth a

¹ Section 1125(b) provides, in pertinent part, as follows:

An acceptance or rejection of a plan may not be solicited after the commencement of the case under this title from a holder of a claim or interest with respect to such claim or interest, unless, at the time of or before such solicitation, there is transmitted to such holder the plan or a summary of the plan, and a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information.

1 summary of the Plan.

2 This Disclosure Statement does not purport to be a complete description of the Plan, the
3 financial data pertaining to the Debtor's operations, the applicable provisions of the Bankruptcy
4 Code, or any other matters which may be deemed significant by Creditors. Out of practical
5 necessity, this Disclosure Statement represents an attempt to summarize extensive overall data,
6 legal documents and legal principles, including provisions of the Bankruptcy Code, and set them
7 forth in understandable, readable form. Thus, although the Committee has attempted to describe
8 fairly and accurately the matters set forth and discussed in this Disclosure Statement, the
9 Committee emphasizes that the documents and instruments referred to or summarized in this
10 Disclosure Statement (including, without limitation, historical financial information for the
11 Debtor's operations as provided by the Debtor or the Debtor's financial advisors) are available
12 for inspection at the office of the Committee's attorneys, Ringstad & Sanders LLP ("Ringstad &
13 Sanders"), located at 2030 Main Street, Suite 1200, Irvine, CA 92614 (Attn: Nanette D. Sanders,
14 Esq.), during normal business hours, and upon reasonable written request made prior to the
15 Confirmation Hearing.

16 To vote to accept or reject the Plan, a Creditor must indicate its acceptance or rejection
17 thereof on the ballot which accompanies this Disclosure Statement and return it to Ringstad &
18 Sanders in the envelope provided, by facsimile (949) 851-6926, or email
19 (becky@ringstadlaw.com), such that the ballot is actually received by Ringstad & Sanders by
20 4:00 p.m. Pacific Daylight Time on _____, 2011. Each Class of Creditors allowed to vote
21 on the Plan will be deemed to have accepted the Plan if the Plan is accepted by valid ballots cast
22 by Creditors in that Class holding at least two-thirds (2/3) in dollar amount and more than one
23 half (1/2) in number of the Allowed Claims of Creditors in that Class actually voting on the Plan.
24 **ONLY PROPERLY EXECUTED BALLOTS TIMELY RECEIVED BY COMMITTEE**
25 **COUNSEL WILL BE COUNTED AS HAVING VOTED ON THE PLAN.**

26 Since mail delays may occur, and because time is of the essence, it is important that
27 ballots be mailed well in advance of the date specified hereinabove as the deadline for Ringstad
28 & Sanders to receive ballots. Any ballots received after that date will not be included in any

1 calculation to determine whether Creditors have accepted or rejected the Plan.

2 At the Confirmation Hearing, the Bankruptcy Court will determine, pursuant to
3 Section 1129 of the Bankruptcy Code, whether the Plan has been accepted by the necessary
4 Classes of Claims created under the Plan, and, if not, whether the Bankruptcy Court should,
5 nevertheless, confirm the Plan. If at such hearing the Bankruptcy Court should determine that
6 the Plan meets all of the requirements for confirmation prescribed by the Bankruptcy Code, the
7 Bankruptcy Court will enter a Confirmation Order. Pursuant to Section 1141 of the Bankruptcy
8 Code, the effect of the Confirmation Order will be to make the provisions of the Plan binding
9 upon the Debtor and each of its Creditors, regardless of whether the Creditor voted to accept the
10 Plan.

11 Pursuant to the Section 1128 of the Bankruptcy Code, any party-in-interest may object to
12 the confirmation of the Plan. The Bankruptcy Court has fixed _____, 2011 as the deadline
13 for filing an objection to the Plan and for serving a copy thereof upon the Debtor's attorneys,
14 Winthrop Couchot, Professional Corporation, 660 Newport Center Drive, Suite 400, Newport
15 Beach, CA 92660 (Attn: Marc J. Winthrop, Esq.), the Committee's attorneys, Ringstad &
16 Sanders, at the address set forth hereinabove (Attn: Nanette D. Sanders, Esq.); and upon the
17 United States Trustee, located at 411 West Fourth Street, Suite 9041, Santa Ana, California
18 92701 (Attn: Frank Cadigan, Esq.), and any other parties as may be required by any further
19 notice, order or any applicable rule.

20 **THIS IS A SOLICITATION BY THE COMMITTEE. THE INFORMATION AND**
21 **REPRESENTATIONS HEREIN ARE DERIVED FROM DOCUMENTS RECEIVED**
22 **FROM AND DISCLOSURES MADE BY THE DEBTOR. NO REPRESENTATIONS**
23 **CONCERNING THE DEBTOR, INCLUDING, BUT NOT LIMITED TO,**
24 **REPRESENTATIONS AS TO ITS FUTURE BUSINESS OPERATIONS, CASH FLOW**
25 **PROJECTIONS, THE VALUE OF ITS PROPERTY, THE AMOUNT OF CLAIMS**
26 **AGAINST THE ESTATE, OR ANY TAX EFFECT OF THE TRANSACTIONS**
27 **PROPOSED UNDER THE PLAN, ARE AUTHORIZED BY THE COMMITTEE, OTHER**
28 **THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. ANY**

1 REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF
2 THE PLAN THAT ARE IN ADDITION TO OR DIFFERENT FROM THE
3 INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT
4 BE RELIED UPON BY ANY PARTY-IN-INTEREST. ANY SUCH ADDITIONAL
5 REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO THE
6 COMMITTEE'S ATTORNEYS WHO, IN TURN, WILL DELIVER THE
7 INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS THE
8 BANKRUPTCY COURT MAY DEEM TO BE APPROPRIATE.

9 THE DISCUSSION IN THIS DISCLOSURE STATEMENT REGARDING THE
10 DEBTOR MAY CONTAIN "FORWARD LOOKING STATEMENTS" WITHIN THE
11 MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.
12 SUCH STATEMENTS CONSIST OF ANY STATEMENT OTHER THAN A
13 RECITATION OF HISTORICAL FACT AND CAN BE IDENTIFIED BY THE USE OF
14 FORWARD LOOKING TERMINOLOGY SUCH AS "MAY," "EXPECT,"
15 "ANTICIPATE," "ESTIMATE," OR "CONTINUE," OR THE NEGATIVE THEREOF
16 OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THE
17 READER IS CAUTIONED THAT ALL FORWARD LOOKING STATEMENTS ARE
18 NECESSARILY SPECULATIVE AND THERE ARE CERTAIN RISKS AND
19 UNCERTAINTIES THAT COULD CAUSE ACTUAL EVENTS OR RESULTS TO
20 DIFFER MATERIALLY FROM THOSE REFERRED TO IN SUCH FORWARD
21 LOOKING STATEMENTS. THE LIQUIDATION ANALYSES, DISTRIBUTION
22 PROJECTIONS, PROJECTIONS OF FINANCIAL PERFORMANCE AND OTHER
23 INFORMATION CONTAINED HEREIN ARE ESTIMATES ONLY, AND THE TIMING,
24 AMOUNT AND VALUE OF ACTUAL DISTRIBUTIONS TO CREDITORS MAY BE
25 AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE,
26 ANY ANALYSES, ESTIMATES, OR PROJECTIONS MAY OR MAY NOT PROVE TO
27 BE ACCURATE.
28

1 UNLESS SPECIFICALLY SET FORTH HEREIN TO THE CONTRARY, THE
2 INFORMATION CONTAINED OR REFERRED TO IN THIS DISCLOSURE
3 STATEMENT HAS NOT BEEN SUBJECT TO AN AUDIT. RECORDS KEPT BY THE
4 DEBTOR RELY FOR THEIR ACCURACY ON BOOKKEEPING PERFORMED
5 INTERNALLY BY THE DEBTOR. THE COMMITTEE BELIEVES THAT THE
6 DEBTOR HAS MADE EVERY REASONABLE EFFORT TO PROVIDE THE
7 COMMITTEE AND ITS PROFESSIONALS WITH FINANCIAL INFORMATION AS
8 ACCURATE AS IS REASONABLY PRACTICABLE GIVEN THE NATURE AND
9 HISTORY OF THE DEBTOR'S MINISTRY AND THE CONDITION OF THE
10 DEBTOR'S BOOKS AND RECORDS. HOWEVER, THE RECORDS KEPT BY THE
11 DEBTOR ARE NEITHER WARRANTED NOR REPRESENTED TO BE FREE OF
12 INACCURACY, EITHER BY THE DEBTOR OR THE COMMITTEE. NEITHER THE
13 COMMITTEE'S FINANCIAL ADVISOR NOR THE COMMITTEE'S INSOLVENCY
14 COUNSEL HAVE INDEPENDENTLY VERIFIED THE INFORMATION CONTAINED
15 HEREIN, OR MAKE ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT
16 TO THE ACCURACY THEREOF.

17 THE COMMITTEE AND ITS PROFESSIONALS HAVE MADE A DILIGENT
18 EFFORT TO IDENTIFY IN THIS DISCLOSURE STATEMENT ALL LITIGATION
19 CLAIMS, INCLUDING CLAIMS FOR RELIEF, COUNTERCLAIMS, AND
20 OBJECTIONS TO CLAIMS. HOWEVER, NO RELIANCE SHOULD BE PLACED ON
21 THE FACT THAT A PARTICULAR LITIGATION CLAIM IS OR IS NOT IDENTIFIED
22 IN THIS DISCLOSURE STATEMENT. THE DEBTOR, THE COMMITTEE OR OTHER
23 PARTIES-IN-INTEREST MAY SEEK TO INVESTIGATE, FILE AND PROSECUTE
24 POST-CONFIRMATION ESTATE CLAIMS WHETHER OR NOT SUCH CLAIMS ARE
25 IDENTIFIED IN THIS DISCLOSURE STATEMENT.

26 ALL PARTIES ENTITLED TO VOTE ON THE PLAN ARE URGED TO
27 CAREFULLY REVIEW THE PLAN AND THIS DISCLOSURE STATEMENT PRIOR
28 TO VOTING ON THE PLAN. THE CONTENTS OF THIS DISCLOSURE STATEMENT

1 SHOULD NOT BE CONSTRUED IN ANY MANNER TO BE LEGAL, BUSINESS OR
2 TAX ADVICE. EACH CREDITOR AND OTHER PARTY-IN-INTEREST SHOULD
3 CONSULT WITH ITS OWN LEGAL COUNSEL, BUSINESS ADVISOR, CONSULTANT
4 OR ACCOUNTANT PRIOR TO VOTING ON THE PLAN IN ORDER TO ENSURE A
5 COMPLETE UNDERSTANDING OF THE TERMS OF THE PLAN. THIS
6 DISCLOSURE STATEMENT IS INTENDED FOR THE SOLE USE OF THE
7 CREDITORS OF THE DEBTOR TO ENABLE THEM TO MAKE AN INFORMED
8 DECISION REGARDING THE PLAN.

9 THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE
10 STATEMENT INDICATES ONLY THAT THE DISCLOSURE STATEMENT
11 CONTAINS ADEQUATE INFORMATION FOR THE PURPOSE OF SOLICITATION
12 OF ACCEPTANCES TO THE PLAN PROPOSED BY THE COMMITTEE, ASSUMING
13 THE ACCURACY OF THE CONTENTS OF THIS DISCLOSURE STATEMENT. THE
14 BANKRUPTCY COURT HAS NOT YET DETERMINED SUCH ACCURACY, BUT
15 MAY DO SO AT THE HEARING REGARDING THE CONFIRMATION OF THE
16 PLAN.

17 II.

18 DEFINITIONS AND RULES OF INTERPRETATION

19 A. **Definitions.** The following defined terms are used in this Disclosure Statement.
20 Any capitalized term that is not defined herein, but that is defined in the Bankruptcy Code or in the
21 Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or
22 Bankruptcy Rules.

23 1. "Administrative Claim" means a Claim for costs and expenses of the
24 administration of a Case under Section 503(b) or 507(a)(1) of the Bankruptcy Code, including,
25 without limitation, a Claim of a Professional employed at the expense of an Estate and any fees or
26 charges asserted against an Estate under 28 U.S.C. § 1930.

27 2. "Administrative Tax Claim" means a request by a Governmental Unit for
28 payment of Administrative Claims for Taxes (and for interest or penalties related to such

1 Taxes) for any tax year or period, all or any portion of which occurs within the period from and
2 including the Petition Date through and including the Effective Date.

3 3. "Allowable Interest Rate" means the interest rate that is fixed at one
4 percentage point (1%) over the prime rate of interest as published in the Wall Street Journal on
5 the Effective Date.

6 4. "Allowed Administrative Claim" means an Administrative Claim allowed
7 pursuant to Sections 503(b) or 507(a)(1) of the Bankruptcy Code or pursuant to 28 U.S.C. § 1930.

8 5. "Allowed Claim" means a Claim that is either (i) listed in the Schedules
9 filed with the Bankruptcy Court by the Debtor and not listed as disputed, contingent, unliquidated
10 or unknown as to amount and as to which no timely objection has been filed; or (ii) with respect
11 to which a Proof of Claim has been filed within the time period fixed by the Bankruptcy Court,
12 and as to which no objection was filed within the time period fixed by the Bankruptcy Code, the
13 Bankruptcy Rules, the Plan or order of the Bankruptcy Court, or as to which any such objection
14 has been determined by a Final Order. The amount of an Allowed Claim shall be as follows:
15 (a) if the Creditor did not file a Proof of Claim with the Bankruptcy Court on or before the
16 applicable Bar Date, the amount of the Creditor's Claim as listed in the Schedules as neither
17 disputed, contingent, unliquidated or unknown; or (b) if the Creditor filed a Proof of Claim with
18 the Bankruptcy Court on or before the applicable Bar Date, (1) the amount stated in such Proof of
19 Claim if no objection to such Proof of Claim was filed within the time period fixed by the
20 Bankruptcy Code, the Bankruptcy Rules, the Plan or order of the Bankruptcy Court, or (2) the
21 amount thereof as fixed by a Final Order of the Bankruptcy Court if an objection to such Proof of
22 Claim was filed within the time period fixed by the Bankruptcy Code, the Bankruptcy Rules, the
23 Plan or order of the Bankruptcy Court. Any Claim that is not filed by the applicable Bar Date and
24 that is listed as disputed, unliquidated, contingent or unknown, or that is not allowed under the
25 terms of the Plan, shall be zero, and no Distribution shall be made on account of such Claim.

26 6. "Allowed Cure Claim" means an Allowed Claim for Cure pursuant to the
27 terms of the Plan and a Final Order.
28

1 7. “Allowed Deficiency Claim” means that portion of an Allowed Claim
2 which is in excess of the value of any collateral which is security for the repayment of the Claim,
3 calculated in accordance with the provisions of Section 506 of the Bankruptcy Code. Unless the
4 Creditor should make an election under Section 1111(b) of the Bankruptcy Code, an Allowed
5 Deficiency Claim is treated hereunder as a Class 3 Allowed General Unsecured Claim.

6 8. “Allowed General Unsecured Claim” means an unsecured Allowed Claim
7 against the Debtor, however arising, not entitled to priority under Section 507(a) of the
8 Bankruptcy Code and which is not secured by a perfected security interest in any asset of the
9 Estate, or to the extent that the value of the interest is less than the amount of such Allowed
10 Claim, including, without limitation, a Rejection Claim.

11 9. “Allowed Priority Tax Claim” means an Allowed Claim provided for by
12 Section 507(a)(8) of the Bankruptcy Code.

13 10. “Allowed Priority Unsecured Claim” means an unsecured Allowed Claim
14 entitled to priority under Sections 507 of the Bankruptcy Code.

15 11. “Allowed Section 503(b)(9) Administrative Claim” means an Allowed
16 Claim entitled to administrative priority pursuant to Section 503(b)(9) of the Bankruptcy Code.

17 12. “Allowed Secured Claim” means an Allowed Claim secured by a valid and
18 unavoidable Lien against property in which an Estate has an interest, or which is subject to setoff
19 under Section 553 of the Bankruptcy Code, to the extent of the value, determined in accordance
20 with Section 506(a) of the Bankruptcy Code, of the interest of the holder of such Allowed Claim
21 in the Estate’s interest in such property, or to the extent of the amount subject to any setoff, as the
22 case may be.

23 13. “Avoidance Action” means any action or proceeding filed pursuant to the
24 provisions of Sections 510, 542, 543, 544, 545, 547, 548, 549 or 550 of the Bankruptcy Code, or
25 any similar action or proceeding filed to recover property for or on behalf of an Estate or to avoid
26 a Lien or transfer.

1 14. "Bankruptcy Code" means Title 11, United States Code, as amended. All
2 citations in the Plan to Section numbers are to the Bankruptcy Code, unless otherwise expressly
3 stated herein.

4 15. "Bankruptcy Court" means the United States Bankruptcy Court for the
5 Central District of California, Santa Ana Division, which has jurisdiction over the Case and the
6 Estate of the Debtor, or such successor court or tribunal as may hereafter be confirmed or created
7 by lawful authority with power to confirm reorganization plans under Chapter 11 of the
8 Bankruptcy Code and all applicable statutes, rules and regulations pertaining thereto.

9 16. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy
10 Procedure, as amended, and the Local Bankruptcy Rules for use in the United States Bankruptcy
11 Court for the Central District of California, as amended.

12 17. "Bar Date(s)" means the last date for creditors whose claims are not
13 scheduled, or are scheduled as disputed, contingent, or unliquidated in the Debtor's Schedules to
14 file Proofs of Claim, except for the following Claims: (i) Administrative Claims other than
15 Section 503(b)(9) Administrative Claims, and (ii) Rejection Claims. The Bar Date for General
16 Unsecured Creditors was February 28, 2011. A Bar Date of September 12, 2011 has been
17 established for parties who believe they may have claims arising out of donations to the Debtor
18 for a specified purpose.

19 18. "Budget" means an annual operating budget of the Reorganized Debtor
20 which shall be approved by the Independent Board at least 30 days prior to the expiration of the
21 then current approved annual budget.

22 19. "Business Day" means any day, other than a Saturday, a Sunday or a "legal
23 holiday," as defined in Rule 9006(a) of the Bankruptcy Rules.

24 20. "Case" means the Chapter 11 case commenced by the Debtor on the
25 Petition Date and pending before the Bankruptcy Court, as Case No. 8:10-bk-24771 RK.

26 21. "Cash" means cash and cash equivalents including, but not limited to,
27 checks or similar forms of payment or exchange.
28

22. "Claim" means (i) a right to payment from the Debtor, whether or not such right to payment is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, or (ii) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment from the Debtor whether or not such right to an equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

23. "Claims Objection Deadline" means, the latest of the following: (i) the two hundred and fortieth (240th) day after the Effective Date; (ii) with respect to a specific Claim, the one hundredth (100th) day after a Proof of Claim with respect to such Claim is filed by a Creditor, or (iii) such greater period of limitation as may be fixed or extended by the Bankruptcy Court or by agreement between the Debtor or Reorganized Debtor and the Creditor.

24. "Class" means the group of Claims classified in Article IV of the Plan pursuant to Sections 1122 and 1123 of the Bankruptcy Code.

25. "Committee" means the duly appointed and acting Official Committee of Creditors Holding Unsecured Claims in the Case.

26. "Condominium" means that certain residential real property located at 31423 Coast Highway, #33, Laguna Beach, California.

27. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order.

28. "Confirmation Hearing" means the hearing(s) scheduled by the Bankruptcy Court for the purpose of considering the confirmation of the Plan.

29. "Confirmation Order" means the order, as entered, of the Bankruptcy Court confirming the Plan.

30. "Creditor" means the holder of an Allowed Claim or Allowed Administrative Claim.

31. "Crystal Cathedral Campus" means that improved commercial real properties located at located at 12186 Salerno Street, 12051 Lewis Street, 12141 Lewis Street, 13280 Chapman Avenue and 13350 Chapman Avenue in the City of Garden Grove, California.

32. "Cure Claim" means the amount necessary to cure the defaults under any of the executory contracts and unexpired leases assumed under the Plan.

33. "Cure Claims Schedule" means the schedule of the Cure Claims, which shall be filed with the Bankruptcy Court prior to the Confirmation Hearing.

34. "Debtor" means Crystal Cathedral Ministries. For the purpose of this Disclosure Statement, reference to "Debtor" shall also include the Reorganized Debtor.

35. "Disclosure Statement" means the Committee's Disclosure Statement, as the same may be amended or modified from time to time.

36. "Disputed Claim" means all or any part of a Claim as to which any one of the following applies: (i) no Proof of Claim has been filed with respect to such Claim, and the Claim is listed in the Schedules as unliquidated, disputed, contingent or unknown, or; (ii) the Claim is the subject of a timely objection or request for estimation which is filed on or before the Claims Objection Deadline, which objection or request for estimation has not been withdrawn or determined by a Final Order. In addition, prior to the earlier of (a) the Claims Objection Deadline, and (b) such date as the Bankruptcy Court allows the Claim pursuant to a Final Order, any Claim that is evidenced by a Proof of Claim shall be deemed a Disputed Claim for purposes of calculating and making any Distributions under the Plan if: (1) no Claim corresponding to the Proof of Claim is listed in the Schedules, (2) the Claim corresponding to the Proof of Claim is listed in the Schedules as disputed, contingent, unliquidated or unknown, (3) the amount of the Claim as specified in the Proof of Claim exceeds the amount of any corresponding Claim listed in the Schedules as not disputed, not contingent, and liquidated, but only to such extent, or (4) the priority or classification of the Claim as specified in the Proof of Claim differs from the priority of any corresponding Claim listed in the Schedules.

37. "Disputed Claims Reserve" means a segregated, interest-bearing trust account for the benefit of General Unsecured Creditors, established at a financial institution that is an authorized depository under United States Trustee guidelines, into which the Plan Agent or Trustee will deposit the Distributions required by Article X hereof.

38. "Distribution" means the Cash that is required to be distributed under the Plan to the holders of Allowed Claims.

39. "Effective Date" means a date selected by the Committee, but in no event later than the one hundred and twentieth (120th) calendar day after the Confirmation Date.

40. "Estate" means the Debtor's bankruptcy estate created under Section 541 of the Bankruptcy Code in the Case.

41. "Estate Claims" means any and all claims and causes of action that constitute property of the Estate including, but not limited to, any Avoidance Actions and any causes of action or claims for recovery of any amounts owing to the Debtor or the Estate by third parties or by Insiders.

42. "F&M" means Farmers & Merchants Bank of Long Beach.

43. "Final Order" means an order or judgment of the Bankruptcy Court, or of any court of competent jurisdiction where there is pending an action in which a Debtor, a Reorganized Debtor, or the Committee is a party, as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceeding for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, move to reargue, or to rehear shall have been waived in writing in form and substance satisfactory to the Committee, the Debtor or to the Reorganized Debtor.

44. "First Payment Date" means the first Business Day of the first full month following the Effective Date.

45. "General Administrative Claims Bar Date" means the date by which all requests for payment of Administrative Claims, with the exception of Administrative Tax Claims and Section 503(b)(9) Administrative Claims, shall be filed and served upon the Committee and the Debtor, which date shall be no later than the date of the Confirmation Hearing.

46. "General Unsecured Claim" means an unsecured Claim against the Debtor, however arising, not entitled to priority under Section 507(a) of the Bankruptcy Code, including, without limitation, a Rejection Claim.

47. "General Unsecured Creditor" means the holder of an Allowed General Unsecured Claim.

48. "Governmental Unit" shall have the meaning provided in Section 101(27) of the Bankruptcy Code.

49. "Initial Distribution Date" means the date on which the first Distribution is made to a Class.

50. "Insiders" means the following individuals: Robert H. Schuller; Arvella Schuller; Sheila Schuller Coleman; Jim Coleman; Jeanne Dunn; Paul Dunn; Carol Milner; Tim Milner; Gretchen Penner; James Penner; Paige Penner; Neva Penner-Klaassen; Nick Klaassen; Diane Penner-Kirchner; Ashley Dennison-Kirchner; Courtney Dennison-Kirchner; Robert A. Schuller; and Donna Schuller, the Robert Harold Pension Trust, and other parties to be identified by the Committee prior to the Confirmation Hearing.

51. "Lien" means any lien, encumbrance, pledge or other charge against property.

52. "Memorial Gardens" means that portion of the Crystal Cathedral Campus upon which burial plots and/or "niches" are located and maintained for the benefit of vested interest holders.

53. "Net Proceeds" means the proceeds generated from the pursuit of Estate Claims, net of all attorneys' fees and other costs necessary to recover such proceeds.

54. "Net Sales Proceeds." The Cash generated from the sale(s) or liquidation of the Debtor's assets valued in excess of \$1,000.00, less payment of selling expenses, closing costs, taxes, association dues, and any associated expenses incurred in furtherance of such sales or liquidation of such assets.

55. "Net Sales Proceeds Account." The Plan Agent or Trustee shall establish a separate account at an FDIC insured bank into which all Net Sale Proceeds shall be deposited from the sale of any of its assets valued in excess of \$1,000.00.

56. "Personal Property Assets" means all non-real property assets of the Debtor or the Debtor's Estate, including a coin collection, and artwork.

1 57. “Petition Date” means the date on the Debtor filed its petition for relief
2 under Chapter 11 of the Bankruptcy Code (October 18, 2010).

3 58. “Plan” means the Committee’s Chapter 11 Plan of Reorganization, together
4 with the exhibits thereto, as the same may be amended or modified from time to time.

5 59. “Plan Agent” means a party to be designated by the Committee to
6 administer the Debtor’s assets, including liquidation of same, and distribution of all net proceeds
7 to the holders of Allowed Claims.

8 60. “Post-Confirmation Expenses” means the fees and expenses incurred by
9 the Plan Agent, the Committee, or the Debtor and their respective professionals following the
10 Confirmation Date (including the fees and costs of Professionals) for the purpose of
11 (i) prosecuting and liquidating the Avoidance Actions; (ii) objecting to and resolving Disputed
12 Claims and Disputed Liens; (iii) selling or otherwise liquidating the assets; (iv) effectuating
13 Distributions under the Plan; and (v) otherwise consummating the Plan and closing the Debtor’s
14 Chapter 11 Case.

15 61. “Priority Tax Claim” means any Claim provided for by Section 507(a)(8)
16 of the Bankruptcy Code.

17 62. “Priority Tax Holder” means a holder of an Allowed Priority Tax Claim.

18 63. “Priority Unsecured Claim” means any Claim, other than an
19 Administrative Claim or a Tax Claim, to the extent entitled to priority under Section 507 of the
20 Bankruptcy Code.

21 64. “Professional” means a person or entity employed by the Committee, the
22 Debtor or by the Plan Agent pursuant to a Final Order in accordance with Sections 327 or 1103 of
23 the Bankruptcy Code.

24 65. “Proof of Claim” means a written statement filed in a Case by a Creditor in
25 which the Creditor sets forth the amount of its Claim, in accordance with Rule 3001 of the
26 Bankruptcy Rules.

27 66. “Pro Rata” means proportionately, so that with respect to any Distribution
28 in respect of any Allowed Claim, the ratio of (i) (a) the amount of property distributed or reserved

1 on account of such Allowed Claim to (b) the amount of such Allowed Claim, is the same as the
2 ratio of (ii) (a) the amount of property distributed or reserved on account of all Allowed Claims of
3 the Class sharing in such Distribution to (b) the amount of all Allowed Claims in such Class.

4 67. "Real Property Assets" means the Crystal Cathedral Campus and the
5 Condominium.

6 68. "Rejection Claim" means any Claim based upon, or arising from, the
7 rejection of any executory contract or unexpired lease pursuant to order of the Bankruptcy Court
8 or pursuant to the Plan.

9 69. "Reorganized Debtor" means the Debtor, as reorganized under the terms of
10 the Plan on and after the Effective Date.

11 70. "Sales Period" means the time period that the Plan Agent or the Trustee is
12 provided under the Plan to consummate a sale or liquidation of the Real Property Assets subject
13 to the claims of Secured Claimants. The Sales Period shall commence on the Confirmation Date
14 and shall expire sixty days (60) days after the Effective Date, unless extended by Order of the
15 Bankruptcy Court.

16 71. "Schedules" means the Schedules of Assets and Liabilities and Statement
17 of Financial Affairs filed by the Debtor in the Case, as required by Section 521(1) of the
18 Bankruptcy Code, Rules 1007(a)(3) and (b)(1) of the Bankruptcy Rules, and Official Bankruptcy
19 Form No. 6, as the Schedules may be amended from time to time.

20 72. "Section 503(b)(9) Administrative Claim" means any Claim, to the extent
21 allowable pursuant to Section 503(b)(9) of the Bankruptcy Code and the Plan.

22 73. "Secured Claim" means any Claim, including interest, reasonable
23 attorneys' fees, costs, and charges, to the extent allowable pursuant to Section 506(b) of the
24 Bankruptcy Code and the Plan, that is secured by a Lien on property in which a Debtor has an
25 interest or that is subject to recoupment or setoff under Section 553 of the Bankruptcy Code, to
26 the extent of the value of the interest of the holder of such Secured Claim in the Debtor's interest
27 in the property, determined pursuant to Section 506(a) of the Bankruptcy Code.
28

74. "Secured Creditors" means, collectively all Creditors holding Secured Claims, which are described in Classes 1 through 10.

75. "Tax" means any tax, charge, fee, levy, or other assessment by any federal, state, local or foreign taxing authority, including, without limitation, income, excise, property, sales, transfer, employment, payroll, franchise, profits, license, use, ad valorem, estimated, severance, stamp, occupation and withholding tax. "Tax" shall include any interest or additions attributable to, or imposed on or with respect to, such assessments.

76. "Tax Claims" means any Claim, pre-petition or post-petition, relating to a Tax.

77. "Trustee" means a Chapter 11 Trustee that may be appointed by the Bankruptcy Court upon request by the Committee and for cause shown.

78. "Unclaimed Property" means any Distribution of Cash or other property to a Creditor that is returned to the Plan Agent as undeliverable.

79. "Unclaimed Property Reserve" means an interest-bearing segregated account in which Unclaimed Property shall be set aside and held.

80. "United States Trustee" means the Office of the United States Trustee.

B. Rules of Construction. For the purpose of this Disclosure Statement, unless otherwise provided in this Disclosure Statement, (i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (ii) each pronoun stated in the masculine, feminine or neuter shall include the masculine, feminine and neuter; (iii) any reference in this Disclosure Statement to an existing document, Exhibit or schedule filed or to be filed means such document or schedule as it may have been or may be amended, modified or supplemented pursuant to this Disclosure Statement; (iv) any reference to an entity as a holder of a Claim or Interest includes that entity's successors and assigns; (v) except as otherwise stated herein, all references in this Disclosure Statement to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to this Disclosure Statement; (vi) the words "herein," "hereunder" and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement;

(vii) unless otherwise provided in this Disclosure Statement, any reference in this Disclosure Statement to a contract, instrument, release, indenture, agreement, or other document being in a particular form or on particular terms and conditions means that such document shall be substantially and materially in such form or substantially and materially on such terms and conditions; and (viii) the rules of construction set forth in Section 102 of the Bankruptcy Code shall apply to the extent such rules are not inconsistent with the express terms of this Disclosure Statement or any other provision in herein.

C. **Exhibits**. All exhibits to this Disclosure Statement are incorporated into and are a part of this Disclosure Statement as if set forth in full herein.

III.

CONFIRMATION AND VOTING

A Creditor may vote to accept or reject the Plan by filling out and sending to counsel for the Committee the form of the ballot which has been provided herewith. Ballots may be sent by mail to Ringstad & Sanders, 2030 Main Street, 12th Floor, Irvine, CA 92614 (Attn: Ms. Becky Metzner); facsimile (949) 851-6926; or email becky@ringstadlaw.com.

In order to vote for or against the Plan, a Creditor must have filed a Proof of Claim on or before the applicable Bar Date, unless its Claim is listed in the Schedules filed in the Debtor's Case as not being disputed, unliquidated, contingent or unknown. Any such Creditor is, to the extent listed in the Schedules, deemed to have filed a Claim, and, absent a timely objection to the Claim, such Claim is deemed allowed. In order to determine whether a Creditor is entitled to vote on the Plan notwithstanding any failure to timely file a Proof of Claim, the Creditor should review the Debtor's Schedules on file with the Bankruptcy Court. If the Creditor's Claim is not scheduled, or if it is scheduled as contingent, disputed, unliquidated or unknown and the Creditor did not file a Proof of Claim prior to the Bar Date, the Creditor may not be entitled to vote on the Plan.

The Bankruptcy Court has fixed _____, 2011 as the last date by which ballots must be received by the Committee's counsel. Subject to review and determination by the Bankruptcy Court, votes received by the Committee after that date may not be counted. Regardless of

1 whether a Creditor votes on the Plan, it will be bound by the terms and treatment set forth in the
2 Plan if the Plan is confirmed by the Bankruptcy Court. Absent some affirmative act constituting a
3 vote, such Creditor will not be included in the voting tally. Allowance of a Claim for voting
4 purposes, or disallowance of any Claim for voting purposes, does not necessarily mean that all or
5 a portion of the Claim will be allowed or disallowed for distribution purposes.

6 The Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the
7 Bankruptcy Code are satisfied. Section 1129 requires, inter alia, that: (a) with respect to each
8 Class of Claims, each Creditor in that Class has accepted the Plan, or will receive or retain under
9 the Plan on account of such Claim, property of a value that is not less than the amount such
10 Creditor would receive if the Debtor was to liquidate its assets under Chapter 7 of the Bankruptcy
11 Code; (b) confirmation of the Plan is not likely to be followed by a liquidation of the Debtor or
12 the need for further reorganization of the Debtor; and (c) the Plan be accepted by each Class of
13 Claims that is impaired by the Plan, and/or the Plan does not discriminate unfairly and is fair and
14 equitable to any impaired Class that has not accepted the Plan.

15 To confirm the Plan, the Bankruptcy Court must determine whether the Plan has been
16 accepted by each "impaired" Class entitled to vote on the Plan. Pursuant to Section 1124 of the
17 Bankruptcy Code, Classes "impaired" by the Plan are those Classes whose legal, equitable or
18 contractual rights are altered pursuant to the Plan. Under Section 1126(c) of the Bankruptcy
19 Code, an impaired Class of Claims is deemed to have accepted the Plan if the Plan is accepted by
20 Creditors in that Class holding at least two-thirds (2/3) in dollar amount and more than
21 one-half (1/2) in number of the Allowed Claims of Creditors in that Class actually voting on the
22 Plan.

23 Only the votes of those Creditors whose ballots are timely received may be counted in
24 determining whether a Class has accepted the Plan. Creditors are, therefore, urged to fill in, date,
25 sign and promptly mail the enclosed ballot. Each Creditor must properly complete the ballot and
26 legibly identify its name on the ballot.

27 Any Creditor holding Claims in more than one impaired Class must file one ballot for
28 each such Class. If a Creditor has received an incorrect ballot, or believes that it is entitled to

1 vote in more than one Class, additional ballots may be obtained upon written request to Ringstad
2 & Sanders (Attn: Ms. Becky Metzner) by mail, facsimile (949) 851-6926; or email
3 (becky@ringstadlaw.com).

4 In the event that one impaired class but not all impaired Classes accept the Plan, the
5 Committee intends to request that the Bankruptcy Court confirm the Plan pursuant to the
6 provisions of Section 1129(b) of the Bankruptcy Code. Pursuant to Section 1129(b), the Plan
7 may be confirmed despite the failure of a Class of Claims to accept the Plan if the Bankruptcy
8 Court determines that the Plan does not discriminate unfairly and is fair and equitable with
9 respect to each Class of Claims that is impaired under, and has not accepted, the Plan. The
10 condition that the Plan be fair and equitable with respect to such nonaccepting Classes includes
11 certain legal requirements as more fully set forth in Section 1129(b).

12 IV.

13 **BACKGROUND OF THE DEBTOR**

14 **THE HISTORICAL AND FINANCIAL INFORMATION PROVIDED HEREIN**
15 **WAS GATHERED FROM PLEADINGS FILED BY THE DEBTOR WITH THE COURT,**
16 **AND/OR INFORMATION PROVIDED BY THE DIRECTLY TO THE COMMITTEE**
17 **BY THE DEBTOR OR ITS ADVISORS.**

18 A. **The Debtor.** The Reverend Dr. Robert H. Schuller and his wife, Arvella,
19 founded the Debtor in 1955. At that time, it consisted of a single church, known as Garden
20 Grove Community Church, which held its services in space rented from the Orange Drive-In
21 Theatre. The church moved to its current location in Garden Grove, California in 1961,
22 ultimately occupying a new sanctuary called the Crystal Cathedral designed by architect Philip
23 Johnson.

24 The Debtor produces The Hour of Power, which is shown throughout the world and is
25 North America's longest running televised church service. The Debtor's message of "possibility
26 thinking" is also supported through its multi faceted outreach programs, including, *inter alia*: (1)
27 the delivery of messages of hope each Sunday by Pastors Sheila Schuller Coleman and Dante
28

Gebel. Dr. Schuller, who is 84, is the featured speaker once per month; (2) providing meals for the homeless every Monday; (3) conducting weekly youth groups; and (4) hosting a number of weekly self-help programs. The Debtor also operates a K-12 school and cemetery on the Crystal Cathedral Campus.

B. Financial Performance of the Debtor. The following is a summary of the Debtor's pre-petition financial performance:

	2008	2009	2010 (January 1, 2010 to October 17, 2010)
Gross Revenue	\$54,582,004	\$41,207,319	\$22,284,516

C. Pre-Petition Legal Proceedings. Prior to the Petition Date, the following proceedings were instituted against the Debtor.

Case of Suite and Case Number	Nature of Proceedings	Court or Agency and Location	Status or Disposition
Interinsurance Exchange of the Auto Club v. Crystal Cathedral Ministries	Civil Action	State Court - Westminster, California	Pending
Citicaster v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
Gray Television v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
Hearst Television v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
IVB Media Services, Inc. v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court,	Pending

Case of Suite and Case Number	Nature of Proceedings	Court or Agency and Location	Status or Disposition
		Santa Ana	
KWGN, Inc. v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
Lin Television v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
PNCEF, LLC, an Indiana Limited Liability Company v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
Fernando Ruballos dba MSE Media Solutions v. Mascom Advertising/Crystal Cathedral Ministries Corporation/Crystal Cathedral Corporation	Civil Action	Orange County Superior Court, Santa Ana	Pending
Tribune Comp. dba Los Angeles Times v. Crystal Cathedral Ministries	Civil Action	Orange County Superior Court, Santa Ana	Pending
Patrick J. Couchois vs. Crystal Cathedral Ministries	Civil Action	District Court, Central District of California	Pending

V.

THE DEBTOR'S CHAPTER 11 PROCEEDING

A. Events Precipitating the Debtor's Chapter 11 Filing. THE FOLLOWING INFORMATION WAS OBTAINED VERBATUM FROM THE DEBTOR'S PROPOSED DISCLOSURE STATEMENT FILED ON MAY 30, 2011. THE COMMITTEE MAKES NO REPRESENTATION AS TO THE ACCURACY OF THIS INFORMATION.

1 The Committee is informed and believes that over the last few years, the Debtor's
2 leadership has gone through two major changes as the ministry has endeavored to transition from
3 its founders to the next generation who will carry the mission of the ministry forward. Robert A.
4 Schuller became Senior Pastor in 2006. He ultimately resigned and Dr. Sheila Schuller Coleman
5 became the Senior Pastor in July of 2009. The period of unsettled leadership caused some in the
6 congregation and viewing audience to leave the ministry, resulting in reduced revenue for an
7 organization that exists primarily on donations. However, the greatest impact on the Debtor's
8 revenues came from the severe downturn in the national economy, which has had a drastic
9 impact on donations to the Debtor and to charitable giving in general. Donations were down
10 approximately 24% in 2009 alone.

11 Since Dr. Coleman has taken over as Senior Pastor, she has focused her efforts on
12 restoring confidence and enthusiasm in the ministry. Even though the Debtor cut expenses, the
13 decline in donations and other revenue was so severe that the benefits of these reductions could
14 not be recognized quickly enough and the Debtor's level of debt, both secured and unsecured,
15 increased. In particular, the Debtor found itself unable to make payments to a number of its
16 broadcast stations and vendors who supplied goods and services in connection with the 2009
17 Glory of Christmas. Ultimately, the Debtor decided to address the growing amount of debt by
18 convening a general meeting of creditors under the auspices of Credit Managers Association of
19 California. The meeting was well attended and resulted in a voluntary 90-day moratorium on
20 debt collection activities, which was almost universally observed. Due to the need to have
21 reliable financial information on which to base an out of court repayment plan, the Unofficial
22 Creditors Committee ("Unofficial Committee") granted the Debtor a conditional 90 day
23 extension of the moratorium. Negotiations were well underway between the Debtor and
24 Unofficial Committee when certain creditors sought and obtained writs of attachment and a
25 number of other lawsuits were filed against the Debtor. Unfortunately, the negotiations between
26 the Debtor and the Unofficial Committee stalled due to concern over the cash flow projections
27 and financial reports. Given these circumstances, the Unofficial Committee decided to allow the
28 moratorium to expire on October 9, 2010 and thereafter, made a demand for payment.

1 Cumulatively, these circumstances then forced the Debtor to file the present Chapter 11
2 proceeding in order to obtain a breathing spell within which to address the claims of all creditors
3 on a fair, equitable and uniform basis.

4 **B. Debtor-in-Possession Status.** Since the Petition Date, the Debtor has continued
5 to operate as a "debtor-in-possession" subject to the supervision of the Bankruptcy Court and in
6 accordance with the Bankruptcy Code. The Debtor is authorized to operate its ministry in the
7 ordinary course. However, all transactions outside of the ordinary course of business must be
8 approved by the Bankruptcy Court.

9 **C. The Automatic Stay.** Upon the filing of the Case, an automatic stay was imposed
10 in the Case pursuant to Section 362 of the Bankruptcy Code. Subject to certain statutorily
11 defined exceptions, the stay enjoins the commencement or continuation of all collection efforts
12 by Creditors, the enforcement of Liens against property of the Debtor, and the continuation of
13 litigation against the Debtor. The automatic stay will remain in effect in this Case until the
14 earliest of the entry of an order of the Bankruptcy Court lifting or modifying the stay, the
15 Effective Date of the Plan, or the closing of the Case.

16 **D. Significant Events Which Have Occurred Since the Petition Date.**

17 1. **First Day Motions.** On the Petition Date, the Debtor filed several motions
18 seeking what is commonly referred to as "first day orders." The relief granted in the first day
19 orders is designed to enable a debtor to transition into Chapter 11 without any material disruption
20 to its business operations. These orders generally grant relief that falls outside the ordinary
21 course of business, or otherwise requires a bankruptcy court order. The first day orders for the
22 motions listed below were entered by the Bankruptcy Court on or about October 20, 2010.

23 a. Emergency Motion for Order Authorizing Use of Any Cash
24 Collateral of Secured Claimants.

25 b. Emergency Motion for Order Authorizing Payment and Honoring of
26 Prepetition Payroll Obligations;

27 c. Emergency Motion for Order: (A) Prohibiting Utility Providers from
28 Altering, Refusing or Discontinuing Service, (B) Deeming Utilities Adequately Assured of

1 Future Performance, and (C) Establishing Procedures for Determining Adequate
2 Assurances of Payment under Section 366 of the Bankruptcy Code.

3 d. Motion to Limit Notice of Certain Matters Requiring Notice to
4 Creditors Pursuant to Rules 2002 and 9007 of the Federal Rules of Bankruptcy Procedure.

5 2. Other Motions.

6 a. Debtor's Motion for Use of Any Cash Collateral of Secured
7 Claimants. Following the Bankruptcy Court's interim approval of the Debtor's use of cash
8 collateral, a final hearing regarding the Debtor's cash collateral use was scheduled by the
9 Bankruptcy Court for November 5, 2010. The Debtor filed a notice of partial withdrawal
10 of Debtor's cash collateral motion as to F&M. The Committee subsequently filed a notice
11 of non-opposition to the Debtor's motion for use of cash collateral and reservation of
12 rights. On November 24, 2010, this Court granted the Debtor's motion to use cash
13 collateral on a final basis. It is anticipated that the Debtor will continue to use cash
14 collateral, by agreement with F&M and the Committee, through the date of the
15 Confirmation Hearing.

16 b. Motion to Extend Time to Assume or Reject Leases. On
17 February 17, 2011, the Debtor filed a motion to extend the period within which the Debtor
18 may assume or reject unexpired leases ("Motion to Extend"). On February 17, 2011, this
19 Court entered an order granting the Motion to Extend and extending the time within which
20 the Debtor may assume or reject unexpired leases to and including May 16, 2011. On
21 April 21, 2011, the Debtor filed a motion to assume a certain non-residential real property
22 lease, which was granted. The motion was granted by the Court and the subject lease has
23 been formally assumed by the Debtor.

24 c. Applications to Employ Professionals. The Debtor and the
25 Committee filed applications to employ the following professionals:
26
27
28

Winthrop Couchot	Debtor's General Insolvency Counsel
Palmieri, Tyler, Wiener & Waldron	Debtor's Special Corporate Counsel
Lutzker & Lutzker, LLP	Debtor's Special IP Counsel
Singer Lewak, LLP	Debtor's Accountant
FTI Consulting	Debtor's Financial Advisor and Chief Restructuring Officer
Ringstad & Sanders, LLP	Committee's Counsel
BSW & Associates	Committee's Financial Consultant

d. Motion to Extend Exclusivity Periods. The Debtor filed a motion for Order for First Extension of Exclusive Periods to File a Plan and Solicit Acceptances Thereof. The Debtor subsequently entered into a stipulation with the Committee pursuant to which the parties agreed that the Debtor's exclusivity periods would be extended for 60 days (April 17, 2011 and June 17, 2011, respectively). The Debtor filed a motion for order further extending the Debtor's plan exclusivity periods under Local Bankruptcy Rule 9013-1. The Committee filed an objection and accordingly, the Debtor set the matter for hearing on June 1, 2011. The motion was granted and the Debtor's second exclusive period was extended through July 31, 2011.

e. Motion Authorizing Rejection of Certain Executory Contracts; and Contract Rejection Procedures. The Debtor filed a motion to reject certain executory contracts that it deemed to be burdensome and unnecessary for its continued operations and for the establishment of contract rejection procedures under Local Bankruptcy Rule 9013-1. The Debtor did not receive an opposition and accordingly, it filed a notice of non-opposition and order.

f. Motion to Approve Stipulation for Adequate Protection Payments to Farmers & Merchants Bank of Long Beach and Limited Relief from the Automatic Stay. The Debtor filed a motion seeking approval of a stipulation with F&M for payment of adequate protection payments and limited relief from the automatic stay. On April 1, 2011, this Court entered an order granting that motion.

g. Motion to Approve Stipulation for Limited Modification of the Automatic Stay. The Debtor filed a motion seeking approval of a stipulation with Patrick J. Couchois for limited modification of the automatic stay to allow Mr. Couchois to

1 continue to prosecute a certain state court action against the Debtor as a nominal defendant
2 in exchange for a waiver of any claim against the estate. On April 1, 2011, this Court
3 entered an order granting that motion.

4 3. The Debtor's Reorganization Efforts. On or about May 30, 2011, the Debtor filed a
5 proposed plan which was premised upon a sale of the Crystal Cathedral Campus to Greenlaw
6 Acquisitions, LLC ("Greenlaw") or a successful overbidder at a sale or auction to be conducted at
7 or prior to confirmation. The Committee opposed the plan on the grounds, among others, that
8 offers superior to the Greenlaw offer had already been received. On July 5, 2011, the Committee
9 filed a motion seeking termination of the Debtor's exclusivity period(s) so that the Committee
10 could file a competing plan. Pending hearing on the Committee's motion, additional or revised
11 offers to purchase the Crystal Cathedral Campus were received, the Debtor's board of directors
12 was reconstituted, and the Debtor announced its decision that a sale of the property would not be
13 pursued. On July 31, 2011 the Debtor's remaining exclusivity period expired and the Committee
14 withdrew its motion to terminate exclusivity as moot.

15 E. Actual and Projected Recovery of Preferential or Fraudulent Transfers. The
16 Committee is in the process of analyzing the Debtor's books and records to determine whether
17 any payments made prior to the Petition Date constitute preferential transfers avoidable pursuant
18 to Section 547 of the Bankruptcy Code, or whether any transfers made by the Debtor are
19 avoidable as fraudulent transfers under Sections 544(b) or 548 of the Bankruptcy Code. The
20 Committee believes that preferential transfers occurred as to certain Insiders and will work with
21 the Plan Agent to ensure the commencement of adversary actions to recover same.

22 F. Sale(s) of Assets. The Plan contemplates (among other things) the sale of the
23 Debtor's Real and Personal Property Assets. As described hereinafter, multiple parties have
24 submitted written offers to purchase the Crystal Cathedral Campus. The Committee, in its sole
25 discretion, will select the proposed buyer of the Crystal Cathedral Campus, advising the Court of
26 same fifteen (15) days prior to the Confirmation Hearing. The Committee does not intend to
27 effectuate a sale of the Crystal Cathedral Campus by way of Section 363 sale subject to
28 overbidding.

1 The Debtor has filed a motion to approve the sale of the Condominium. If such sale has
2 not been consummated as of the Confirmation Hearing, the Plan Agent will proceed to liquidate
3 the Condominium, as well as the Personal Property Assets.

4 **G. Projected Objections to Claims Filed Against the Estate.** The Bar Date for
5 General Unsecured Creditors was established as February 28, 2011. The Bar Date for
6 endowment claim Creditors is September 12, 2011. The Committee is in the process of
7 analyzing the claims registry and reserves any and all rights to object to Claims both before and
8 after confirmation of the Plan. Claimants whose Claims are objected to will receive notice and
9 an opportunity to respond. Any objections to Claims shall be filed on or before 240 days after
10 the Effective Date of the Plan. Unless a Creditor's Claim has been expressly allowed by Order of
11 the Bankruptcy Court, and except as noted above, no creditor should rely or expect that his/her
12 Claim will be allowed in full when voting on the Plan. Anticipated Claim objections include, *but*
13 *are not limited to:*

- 14 1. Claims which are for amounts greater than the value provided or justified in
15 the Debtor's estimation.
- 16 2. Duplicate Claims.
- 17 3. Claims which have been paid in full.
- 18 4. Claims lacking adequate documentation or support.
- 19 5. Untimely Claims.
- 20 6. Claims which are not supported by the Debtor's books and records, or in
21 excess thereof.
- 22 7. Claims which are unenforceable against the Debtor and/or property of the
23 Estate, under any agreement or applicable law.
- 24 8. Claims for improper or unreasonable interest, attorneys' fees, charges, costs,
25 etc.
- 26 9. Claims for interest that are unmatured as of the Petition Date.
- 27 10. Claims of any entity from which property is recoverable under section 542,
28 543, 550, or 553 or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544,

1 545, 547, 548, 549, or 724(a), unless such entity or transferee has paid the amount, or turned over
2 any such property, for which such entity or transferee is liable under section 522(i), 542, 543, 550,
3 or 553.

4 11. Any Claim relating to a lease, which is a disguised security agreement.

5 12. Claims which are contingent claims for reimbursement, indemnity or
6 contribution, or any entity that asserts a right of subrogation to the rights of such creditor.

7 13. Claims which may be subordinated under Bankruptcy Code sections 509
8 or 510.

9 The foregoing list is not intended to be exhaustive of all potential claim objections.
10 Rather, the Committee seeks to place all creditors on notice that the Committee reserves all rights
11 to bring claim objections (except as noted above) on any and all grounds, and specifically that the
12 Committee intends to object to all Claims submitted by those asserting endowment fund claims.

13 VI.

14 FINANCIAL INFORMATION REGARDING THE DEBTOR

15 A. Historical Financing Information. Attached hereto as Exhibit "1" is a copy of
16 the Debtor's unaudited consolidated financial statements for the fiscal years 2006-2009.

17 B. Financial Information Provided During the Case. The Debtor has filed its
18 Schedules in the Case. The Schedules provide substantial financial information regarding the
19 assets and liabilities of the Estate as of the Petition Date. The Schedules are available for
20 inspection, during normal business hours, at the Clerk's Office of the Bankruptcy Court, located
21 at 411 West Fourth Street, Santa Ana, California 92701.

22 In addition to the Schedules, the Debtor has prepared throughout the Case interim
23 statements and monthly operating reports ("MORs") in accordance with the requirements of the
24 United States Trustee. Copies of the MORs are available for inspection, during normal business
25 hours, at the United States Trustee, located at 411 West Fourth Street, Suite 9041, Santa Ana,
26 California 92701. A compilation of the MORs from the Petition Date through June 30, 2011 is
27 attached hereto as Exhibit "2".
28

1 The Debtor has provided the Committee with copies of its profit and loss statement and
2 balance sheet for the month ending April 2011 and all cumulative post-petition periods. These
3 documents are attached hereto collectively, as Exhibit "3".

4 AS TO THE UNCERTIFIED AND UNAUDITED FINANCIAL INFORMATION
5 CONTAINED IN, OR ATTACHED TO, THIS DISCLOSURE STATEMENT, THE
6 COMMITTEE IS UNABLE TO WARRANT OR REPRESENT THAT THE FINANCIAL
7 INFORMATION IS WITHOUT ANY INACCURACIES, ALTHOUGH THE COMMITTEE
8 BELIEVES THAT THE DEBTOR HAS MADE REASONABLE EFFORTS, UNDER THE
9 CIRCUMSTANCES, TO PROVIDE THE COMMITTEE WITH FAIR AND ACCURATE
10 FINANCIAL INFORMATION.

11 C. **Financial Performance During the Case.** During the Case, the Debtor, as
12 debtor-in-possession, has been responsible for the management of the Debtor's ministry and the
13 administration and management of assets of the Estate. The Committee is informed and believes
14 that the Debtor has paid all accruing post-petition expenses associated with the operation of the
15 Debtor's ministry as they have come due with the exception of certain accrued fees and costs of
16 Professionals, which fees and costs have not been timely paid throughout the Debtor's Case, but
17 which will be paid current in accordance with the respective vendor's payment terms. The
18 Committee is further informed and believes that the Debtor has properly maintained and
19 preserved assets of the Estate.

20 VII.

21 **DESCRIPTION OF THE PLAN OF REORGANIZATION**

22 The following is a brief summary of the Plan and is qualified in its entirety by the full text
23 of the Plan. The terms of the Plan will be controlling on the Creditors in the event that the Plan is
24 confirmed. Therefore, all Creditors are urged to read the Plan carefully in its entirety rather than
25 relying on this summary.
26
27
28

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Administrative Claim shall be Paid in Full, in Cash, on the latest of (i) the Effective Date, (ii) the tenth (10th) Business Day after the date upon which such Administrative Claim becomes an Allowed Administrative Claim, or (iii) the date upon which such Allowed Administrative Claim becomes due according to its terms.

2. Subordination of Insiders' Claims. The Claims of Insiders², including, but not limited to, Administrative Claims, that Insiders, individually or collectively, have or may have against the Estate will be subordinated until all Allowed General Unsecured Claims are Paid in Full. If Insiders object to subordination of their Administrative or General Unsecured Claims, if any are Allowed, such claims will be treated as Administrative Claims following resolution of the formal objections to be filed to each such Claim by the Committee.

3. Administrative Claims Bar Date. Any holder of an Administrative Claim that does not file and properly serve such a request for payment by the General Administrative Claims Bar Date and the Bar Date for Section 503(b)(9) Claims, as the case may be, shall be forever barred from asserting such Administrative Claim against the Debtor, the Reorganized Debtor, its Estate, or any of its property, or the Committee. Notwithstanding anything to the contrary contained in the foregoing, (i) any Governmental Unit may assert an Administrative Tax Claim or other post-petition Tax Claim pursuant to the statutory requirements applicable thereto without regard to the General Administrative Claims Bar Date; and (ii) holders of accrued post-petition *ad valorem* Tax Claims against property owned by the Reorganized Debtor shall retain any Liens that they may have pursuant to applicable law on account of such Tax Claims, and holders of such Tax Claims shall be paid the amount of their Tax Claims in the ordinary course of the Reorganized Debtor's ministry without the requirement that a Proof of Claim or request for payment of such Tax Claim be filed with the Bankruptcy Court.

² The Insiders' Claims include (but are not limited to): Robert A. Schuller: Claim No. 221 - \$1,400,000.00; Jeanne Dunn: Claim No. 229 - \$25,908.80; Paul Dunn: Claim No. 230 - \$52,037.57; Timothy Milner: Claim No. 241 - \$98,313.00; Arvella Schuller: Claim No. 242 - not stated; Carol Milner: Claim No. 243 - \$10,615; Robert Harold, Inc. and Dr. Robert H. Schuler: Claim No. 245 - unknown; Robert Harold, Inc.: Claim No. 246 - \$223,078.09.

4. Projected Administrative Claims. The following chart is an estimate of all of the Debtor's projected and unpaid Administrative Claims.³ The Committee acknowledges that Chapman University, a non-profit corporation, and the Roman Catholic Bishop of Orange, a California corporation sole, must have "due diligence" undertaken in connection with the purchase transactions contemplated by the Plan and described in Article X.A.1 below. In the event that either Chapman University or the Roman Catholic Bishop of Orange incur actual out-of-pocket due diligence expenses, and are not the successful purchaser of the Crystal Cathedral Campus for any reason (other than as a result of a unilateral decision not to proceed with a contemplated transaction), the Committee will not oppose an Administrative Claim request by either for the allowance by the Bankruptcy Court of a "substantial contribution" administrative claim in this case, such that its reasonable out-of-pocket expenses, in an amount not to exceed \$100,000 per claimant, will be reimbursed by the Estate.

The following chart list the know Administrative Claims and their treatment under the Plan:

Name	Amount Owed
Clerk's Office Fees	\$0.00 (est.)
Office of the U. S. Trustee Fees	\$0.00 (est.)
Orange County Treasurer Tax and Collector	59,002.00 (est.)
Winthrop Couchot P.C. (Debtor's General Insolvency Counsel)	\$0.00 (est.)
Palmieri, Tyler, Wiener & Waldron, LLP (Debtor's Special Corporate Counsel)	\$40,000.00 (est.)
Lutzker & Lutzker, LLP (Debtor's Special IP Counsel)	\$10,000.00 (est.)
Singer -- Lewak, LLP (Debtor's Accountant)	\$0.00 (est.)
FTI Consulting, Inc. (Debtor's Financial Advisor and Consultant)	\$600,000.00 (est.)
Ringstad & Sanders, LLP (Committee's Counsel)	\$0.00 (est.)
BSW & Associates (Committee's Financial Consultant)	\$10,485.00 (est.)
Cure Claims	\$67,875.00

³ Based on its preliminary review of the Schedules and Claims Register, the Committee does not believe that there are any Section 503(b)(9) Claims.

Name	Amount Owed
Chapman University/The Roman Catholic Bishop of Orange (potential due diligence costs of unsuccessful buyer)	Unknown, but not to exceed \$100,000 per buyer
TOTAL	\$887,487.50 (est.)⁴

The Court must approve all professional fees listed in this chart. For all fees except Clerk's Office fees and U.S. Trustee fees, the professional in question must file and serve a properly noticed fee application and the Court must rule on the application. Only the amount of fees allowed by the Court will be required to be paid under this Plan.

B. Priority Tax Claims. Priority tax claims are certain unsecured income, employment and other taxes described by Code Section 507(a)(8). The Code requires that each holder of such a 507(a)(8) priority tax claim receive the present value of such claim in deferred cash payments, over a period not exceeding five years from the date of the commencement of the Debtor's bankruptcy case, and in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the Plan.

The Debtor scheduled or creditors have asserted the following Priority Tax Claims:

Agency	Amount	Type
Cal. Employment Development Dept.	\$6,743.95	Payroll Taxes
Orange County Tax Collector	\$57,845.38	Property Taxes
Cal. State Board of Equalization	\$1,198.00	Sales Taxes

Under the terms of this Plan, all Priority Tax Claims, to the extent that such claims are determined to be claim allowable under Section 507(a)(8), and in the amount allowed, will be paid in full, together with such interest as is permitted by law, on the First Distribution Date, as defined herein. To the extent that the proceeds available on the First Distribution Date are insufficient to pay in full all Priority Tax Claims, distribution of available funds will be made pro

⁴ The majority of the professionals have obtained payment of a substantial amount of their post-petition fees and costs on a monthly basis during the Case. The Committee's estimate of fees owed to the Professionals as of the Effective Date assumes that the Debtor will continue to make monthly payments to Professionals through the Effective Date, and accounts for any pre-petition retainers paid by the Debtor.

1 rata to the holders of the Priority Tax Claims, and any remaining balance due to the holders of
2 Priority Tax Claims will be paid in full on the Second Distribution Date. In the event that an
3 objection to the claim of the holder of a Priority Tax Claim is pending on the date that distribution
4 to such holder is due, then the Plan Agent shall reserve the amount to which such holder would be
5 entitled if the claim asserted by such holder were allowed in full, and shall pay such holder the
6 amount to which such holder is entitled upon entry of a Final Order allowing such holder's claim.

7 **IX.**

8 **CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

9 **A. General Overview.** As required by the Bankruptcy Code, the Plan places Claims
10 into various Classes according to their right to priority and other relative rights. The table below
11 lists each Class of Secured Claims established under the Plan and states whether each Class is
12 impaired or is unimpaired by the Plan. A Class is "unimpaired" if the Plan leaves unaltered the
13 legal, equitable and contractual rights to which the holders of Claims in the Class are entitled,
14 with certain exceptions specified in the Bankruptcy Code. The Plan sets forth the treatment that
15 each Class will receive under the Plan.

16 **Classes of Secured Claims.**

17 Secured Claims are Claims secured by liens on property of the Estate. The following is a
18 description of all Classes of the Debtor's Secured Claims and their treatment under this Plan:

Class	Creditor	Impaired or Unimpaired
Class 1	Allowed Secured Claim of Orange County Treasurer and Tax Collector	Unimpaired
Class 2	Allowed Secured Claim of Los Angeles County Treasurer and Tax Collector	Unimpaired
Class 3	Allowed Secured Claim of F&M	Impaired
Class 4	Allowed Secured Claim of Grand & BCG, LLC	Impaired
Class 5	Allowed Secured Claim of GE Capital Public Finance	Unimpaired
Class 6	Allowed Secured Claim of Canon Financial Services, Inc.	Impaired
Class 7	Allowed Secured Claim of PNC Equipment Finance, LLC	Impaired
Class 8	Allowed Secured Claim of Credit Management Association in Trust for Creditors	Impaired
Class 9	Allowed Secured Claim of Morgan Stanley Bank, N.A.	Unimpaired
Class 10	Allowed Secured Claim of Toyota Motor Credit	Impaired

1. **Class 1: Secured Claim of County of Orange County.**

Class 1 is all Allowed Secured Claims of the County of Orange for secured real property taxes. The Schedules filed by the Debtor identify six separate tax liens recorded by the County of Orange totaling \$20,851. The Orange County Treasurer Tax Collector filed a Proof of Claim asserting outstanding secured real property taxes in the amount of \$244,827.27.

Upon the sale of any real property owned by the Debtor, the full amount of real property taxes due to the County of Orange relating to the real property that is the subject of the sale shall be paid in full upon the close of escrow for the sale. If any real property upon which the County of Orange has a lien for real property taxes is not sold by the Plan Agent and is abandoned to the Debtor pursuant to the terms of the Plan, then the lien of the County of Orange upon such parcel shall be deemed unmodified and the County of Orange may pursue all legal remedies that it may have for the nonpayment of such real property taxes.

Until paid, the County shall retain all of its liens securing its Claims, unmodified, to the extent of the allowed amount of the County's Class 1 Claim as determined by the Bankruptcy Court.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
1	Secured claim of: County of Orange Collateral description: (a) the Crystal Cathedral Campus; (b) the Condominium. Priority of security interest: First Total claim amount (est.): \$244,827.27.	No	No	[See detailed description of the treatment of the claims, above.] Treatment of claim: Paid in full with interest as authorized by applicable law as described herein. Treatment of lien: Retained until Claim is paid.

2. **Class 2: Secured Claim of County of Los Angeles.**

Class 2 is the Allowed Secured Claim of the County of Los Angeles for secured personal property or other taxes. The Los Angeles County Treasurer and Tax Collector filed a Proof of

Claim asserting a secured personal (marine) property tax Claim in the amount of \$731.10. The Committee is informed and believes that the personal property which gives rise to this alleged Claim is not property of the Estate and intends to object to the Claim. In the interim, however, the Claim is provided for as described herein.

Upon the sale of the personal property owned by the Debtor, if any, subject to the lien of the County of Los Angeles, the full amount of taxes due to the County of Los Angeles shall be paid in full upon the close of escrow for the sale. If the personal property owned by the Debtor upon which the County of Los Angeles has a lien for personal property taxes is not sold by the Plan Agent and is abandoned to the Debtor pursuant to the terms of the Plan, then the lien of the County of Los Angeles upon such property shall be deemed unmodified and the County of Los Angeles may pursue all legal remedies that it may have for the nonpayment of such personal property taxes.

Until paid, the County shall retain all of its liens securing its Claim, unmodified, to the extent of the allowed amount of the County's Claim as determined by the Bankruptcy Court.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
2	<p>Secured claim of: Los Angeles County Treasurer and Tax Collector</p> <p>Collateral description: Unknown.</p> <p>Collateral value: Unknown.</p> <p>Priority of security interest: First.</p> <p>Total claim amount: \$ To be determined.</p>	No	No	<p>[See detailed description of the treatment of the claims, above.]</p> <p>Treatment of claim: Paid in full with interest as authorized by applicable law as described herein.</p> <p>Treatment of lien: Retained until Claim is paid.</p>

1 **3. Class 3: Secured Claim of Farmers & Merchants Bank of Long Beach.**

2 Class 3 consists of the Allowed Secured Claim of Farmers & Merchants Bank of Long
3 Beach ("F&M"), which holds a Secured Claim for obligations secured by first and second priority
4 deeds of trust encumbering the Crystal Cathedral Campus. The Debtor scheduled the Claim of
5 F&M in the amount of \$33,253,920.

6 Upon the sale of the Crystal Cathedral Campus, the entire Allowed Secured Claim of
7 F&M shall be paid in full upon the close of escrow for the sale. If the Crystal Cathedral Campus
8 is not sold by the Plan Agent and is abandoned to the Debtor pursuant to the terms of the Plan,
9 then the liens of F&M upon such real property shall be deemed unmodified and F&M may pursue
10 all legal remedies that it may have for the nonpayment of such Allowed Claim. If the sale
11 proceeds are insufficient to pay the Allowed Secured Claim of F&M in full, then the sale may not
12 close without the consent of F&M.

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<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
3	<p>Secured claim of: Farmers & Merchants Bank of Long Beach</p> <p>Collateral description: The Crystal Cathedral Campus</p> <p>Collateral value: \$55,732,770 per estimate in Debtor's Schedule A</p> <p>Priority of security interest: First and second priority trust deeds encumbering the Crystal Cathedral Campus.</p> <p>Total claim amount: \$33,253,920 according to Debtor's Schedule D. F&M filed two proofs of claim describing a claim in the amount of \$32,396,643.91 secured by a first priority trust deed on the Crystal Cathedral Campus and a claim in the amount of \$3,163,750.01 secured by a second priority trust deed on the Crystal Cathedral Campus.</p>	No	Yes	<p>Date of Payment: Close of escrow for sale of the Crystal Cathedral Campus</p> <p>Interest Rate: Contractual Non-Default Note Rate</p> <p>Retention of Liens: The Class 3 Claimant will retain its liens with their existing level of priority until the Claim is paid in full.</p>

4. Class 4: Secured Claim of Grand & BCG, LLC.

Class 4 consists of the Allowed Secured Claim of Grand & BCG, LLC ("G&B"), which holds a Secured Claim for an obligation secured by a first deed of trust encumbering the Laguna Beach Condominium. The Debtor listed the claim of G&B in the amount of \$800,000.

Upon the sale of the Laguna Beach Condominium, the entire Allowed Secured Claim of G&B shall be paid in full upon the close of escrow for the sale. If the Laguna Beach

Condominium is not sold by the Plan Agent and is abandoned to the Debtor pursuant to Section II.D.7 of this Plan, then the lien of G&B upon such real property shall be deemed unmodified and G&B may pursue all legal remedies that it may have for the nonpayment of such allowed claim. If the sale proceeds available are insufficient to pay the claim of G&B in full, then the sale may not close without the consent of G&B.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER (Y/N)</u>	<u>IMPAIRED (Y/N)</u>	<u>TREATMENT</u>
4	<p>Secured claim of: Grand & BCG, LLC</p> <p>Collateral description: The Laguna Beach Condominium</p> <p>Collateral value: \$1,127,000 per estimate in Debtor's Schedule A</p> <p>Priority of security interest: First.</p> <p>Total claim amount: \$800,000 (est.)</p>	No	Yes	<p>Date of Payment: Close of escrow for sale of Laguna Beach Condominium</p> <p>Interest Rate: Contractual Non-Default Note Rate</p> <p>Retention of Lien: The Class 4 Claimant will retain its lien with its existing level of priority until the Claim is paid in full.</p>

5. Class 5: Secured Claim of GE Capital Public Finance, Inc.

Class 5 consists of the Allowed Secured Claim of GE Capital Finance, Inc. ("GE") pursuant to a certain written promissory note and related documents (the "Master Security Agreement") secured by a security interest in certain personal property consisting of alarm systems and related equipment. GE filed a Proof of Claim asserting a secured claim in the amount of \$82,544.74.

At the option of the ultimate buyer of the Crystal Cathedral Campus, the Plan Agent or the Trustee, the Master Security Agreement and related documents will be assumed and the pre-petition defaults in the approximate amount of \$6,878.69 cured. After the Effective Date, the Plan Agent or its assignee will continue to pay the payments under the terms of the Master Security Agreement through the term of same. In the alternative, the collateral securing the Class

5 Allowed Secured Claim will be surrendered to GE on the Effective Date in full satisfaction of such Claim.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
5	<p>Secured claim of: GE Capital Public Finance, Inc. ("GE")</p> <p>Collateral description: Per Master Security Agreement</p> <p>Collateral value: Unknown</p> <p>Priority of security interest: First.</p> <p>Total claim amount: \$ Unknown</p>	No	No	<p>Date of Payment(s): Cure payment in the approximate amount of \$6,878.69 within 10 business days of Effective Date. After the Effective Date, the Plan Agent or its assignee will continue to pay the payments under the terms of the Master Security through the term of same.</p> <p>In the alternative, the collateral securing the Class 5 Allowed Secured Claim will be surrendered to GE on the Effective Date.</p> <p>Interest Rate: Contractual Non-Default Rate per Master Security Agreement.</p> <p>Retention of Lien: The Class 5 Claimant will retain its lien with its existing level of priority until its Allowed Secured Claim is paid in full.</p>

6. Class 6: Secured Claim of Canon Financial Services.

Class 6 consists of the Allowed Secured Claim of Canon Financial Services ("Canon") pursuant to a written lease of Canon Equipment and a UCC-1 financing statement filed on September 24, 2008. The Debtor listed the claim of Canon on Schedule D in the amount of \$201,305.87, and has advised the Committee that it believes the value of property securing the claim of Canon is \$20,859.00.

The Allowed Secured Claim of Canon is impaired under this Plan.

At the option of the ultimate buyer of the Crystal Cathedral Campus, the Plan Agent or the Trustee, the Class 6 Claim shall be treated as follows:

- (a) Option 1: Canon will receive on account of such Allowed Secured Claim deferred cash payments totaling the allowed amount of such Allowed Secured

1 Claim, equal to the value, as of the Effective Date, of Canon's interest in Canon's
2 collateral. In particular, Canon shall be paid in equal monthly installments, with interest,
3 which shall accrue at the Allowable Interest Rate, commencing on the First Payment Date,
4 fully amortized over a period of 24 months based on the Allowed Secured Claim. The
5 Allowed Secured Claim may be prepaid at any time without penalty or other charge.
6 Notwithstanding the foregoing, in the event any collateralized equipment is sold by the
7 Plan Agent or the Debtor or the Trustee, the proceeds generated from the disposition of
8 such sale, net of all expenses, shall be paid to Canon, up to the amount of the Allowed
9 Secured Claim, reflecting all payments made to Canon under the terms of this Plan.

10 The allowed Secured Claim shall continue to be secured by Canon's existing Lien
11 on the applicable collateral. Upon full satisfaction of the Allowed Secured Claim,
12 Canon's Lien on its collateral shall be released and the Debtor or the Plan Agent or the
13 Trustee shall retain title to such collateral free and clear of such Lien. Any Class 6
14 Allowed Deficiency Claim shall be treated as an Allowed General Unsecured Claim.

15 (b) Option Two: The Debtor or the Plan Agent or the Trustee shall return
16 Canon its collateral on the Effective Date in full satisfaction of the Class 6 Allowed
17 Secured Claim. Any Allowed Deficiency Claim shall be treated as a Class 13 Allowed
18 General Unsecured Claim.

19 (c) Option Three: Notwithstanding any contractual provision or applicable
20 law that entitles Canon to demand or to receive accelerated payment of its Claim after the
21 occurrence of a default: (i) any such default shall be cured, other than a default of a kind
22 specified in Section 365(b)(2) of the Bankruptcy Code; (ii) the maturity of such Claim
23 shall be reinstated as such maturity existed before such default; (iii) Canon shall be
24 compensated for any damages incurred as a result of any reasonable reliance by Canon on
25 such contractual provision or such applicable law; and (iv) the legal, equitable or
26 contractual rights of Canon shall otherwise be unaltered.

27 Except as otherwise provided above, the foregoing treatment shall be in full satisfaction of
28 the Class 6 Allowed Secured Claim.

1 If either Option 1 or 3 is elected by the Debtor or the Plan Agent or the Trustee, then the
2 Debtor or the Plan Agent or the Trustee shall maintain insurance coverage for the property
3 securing the Class 6 Allowed Secured Claim.

4 **7. Class 7: Secured Claim of PNC Equipment Finance, LLC.**

5 Class 7 consists of the Allowed Secured Claim of PNC Equipment Finance, LLC ("PNC")
6 pursuant to certain written promissory notes secured by security interests in certain personal
7 property. PNC filed a Proof of Claim asserting a Secured Claim in the amount of \$100,000.00
8 and a General Unsecured Claim in the amount of \$1,993,483.97. The Debtor has advised the
9 Committee that it believes the value of property securing the claim of PNC is \$100,000.00.

10 The Allowed Secured Claim of PNC is impaired under this Plan.

11 At the option of the ultimate buyer of the Crystal Cathedral Campus, or the Plan Agent or
12 the Trustee, the Class 7 Claim shall be treated as follows:

13 (a) Option 1: PNC will receive on account of such Allowed Secured
14 Claim deferred cash payments totaling the allowed amount of such Allowed Secured
15 Claim, equal to the value, as of the Effective Date, of PNC's interest in PNC's collateral.
16 In particular, PNC shall be paid in equal monthly installments, with interest, which shall
17 accrue at the Allowable Interest Rate, commencing on the First Payment Date, fully
18 amortized over a period of 24 months based on the Allowed Secured Claim. The Allowed
19 Secured Claim may be prepaid at any time without penalty or other charge.
20 Notwithstanding the foregoing, in the event any collateralized equipment is sold by the
21 Plan Agent or the Debtor or the Trustee, the proceeds generated from the disposition of
22 such sale, net of all expenses, shall be paid to PNC, up to the amount of the Allowed
23 Secured Claim, reflecting all payments made to PNC under the terms of this Plan.

24 The allowed Secured Claim shall continue to be secured by PNC's existing Lien
25 on the applicable collateral. Upon full satisfaction of the Allowed Secured Claim, PNC's
26 Lien on its collateral shall be released and the Debtor or the Plan Agent or the Trustee
27 shall retain title to such collateral free and clear of such Lien. Any Class 7 Allowed
28 Deficiency Claim shall be treated as an Allowed General Unsecured Claim.

(b) Option Two: The Debtor or the Plan Agent or the Trustee shall return PNC its collateral on the Effective Date in full satisfaction of the Class 7 Allowed Secured Claim. Any Allowed Deficiency Claim shall be treated as a Class 13 Allowed General Unsecured Claim.

(c) Option Three: Notwithstanding any contractual provision or applicable law that entitles PNC to demand or to receive accelerated payment of its Claim after the occurrence of a default: (i) any such default shall be cured, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code; (ii) the maturity of such Claim shall be reinstated as such maturity existed before such default; (iii) PNC shall be compensated for any damages incurred as a result of any reasonable reliance by PNC on such contractual provision or such applicable law; and (iv) the legal, equitable or contractual rights of PNC shall otherwise be unaltered.

Except as otherwise provided above, the foregoing treatment shall be in full satisfaction of the Class 7 Allowed Secured Claim.

If either Option 1 or 3 is elected by the Debtor or the Plan Agent or the Trustee, then the Debtor or the Plan Agent or the Trustee shall maintain insurance coverage for the property securing the Class 7 Allowed Secured Claim.

8. Class 8: Secured Claim of Credit Managers Association ("CMA") in Trust for Creditors.

Class 8 consists of the Allowed Secured Claim of Credit Managers Association ("CMA"), in trust for certain creditors. The Claim is secured by certain personal property assets of the Debtor pursuant to a recorded UCC-1.

CMA shall retain its lien on the subject personal property assets, but is barred from pursuing its rights and remedies against such assets until abandonment of same by the Plan Agent or the Trustee. If the Plan Agent or the Trustee is able to consummate a sale of CMA's collateral within one (1) year of the Effective Date, CMA will receive a distribution to the extent of available Net Sales proceeds from the collateral in accordance with the priorities set forth in the Bankruptcy Code and under applicable California law. Such distribution shall include accrued

interest on the Class 8 Allowed Secured Claim at the Allowable Interest Rate. If neither the Plan nor the Trustee are able to consummate a sale of CMA's collateral within one (1) year of the Effective Date, CMA shall be free to pursue its rights and remedies against its collateral under applicable California law. CMA's rights are impaired under the Plan.

9. Class 9: Secured Claim of Morgan Stanley Bank, N.A.

Class 9 consists of the Allowed Secured Claim of Morgan Stanley Bank, N.A. ("Morgan Stanley") relating to a loan in the original principal amount of \$850,000 which is secured by a first priority security interest in funds held in the Collateral Accounts as defined and described in the Portfolio Loan Account Agreement between the Debtor and Morgan Stanley. Morgan Stanley filed a Proof of Claim asserting a Secured Claim in the amount of \$864,977.78.

The Allowed Secured Claim of Morgan Stanley is unimpaired under this Plan, which does not alter the legal, equitable and contractual rights of Morgan Stanley. On the Effective Date, Morgan Stanley may exercise its rights and remedies against its collateral, in an amount according to proof.

<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
9	<p>Secured claim of: Morgan Stanley Bank, N.A.</p> <p>Collateral description: The Collateral Accounts as defined in the Portfolio Loan Account Agreement.</p> <p>Collateral value: Unknown</p> <p>Priority of security interest: First.</p> <p>Total claim amount: \$864,977.78 per Proof of Claim filed by Morgan Stanley Bank, N.A.</p>	No	No	<p>Treatment: The legal, equitable and contractual rights of Morgan Stanley Bank, N.A. are unaltered under this Plan.</p> <p>Retention of Lien: The Class 9 Claimant will retain its lien with its existing level of priority until the Claim is paid in full.</p>

1 **10. Class 10: Secured Claim of Toyota Motor Credit Corp.**

2 Class 10 consists of the Allowed Secured Claim of Toyota Motor Credit Corp. ("Toyota")
3 pursuant to a certain written Master Lease Agreement relating to the lease of a 2006 Isuzu truck.
4 Toyota filed a proof of claim asserting a secured claim in the amount of \$15,644.94.

5 The Allowed Secured Claim of Toyota is impaired under this Plan.

6 On the Effective Date, an election will be made as to whether the Master Lease
7 Agreement will be assumed and any pre-petition default cured. After the Effective Date, the
8 Reorganized Debtor will continue to pay the payments under the terms of the Master Lease
9 Agreement through the term of same.

10 In the alternative, the Plan Agent or the Trustee may elect to surrender to Toyota on the
11 Effective Date the collateral securing the Class 10 Allowed Secured Claim in full satisfaction of
12 such Claim. Any Allowed Deficiency Claim will be treated as a Class 13 Allowed General
13 Unsecured Claim.

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<u>CLASS#</u>	<u>DESCRIPTION</u>	<u>INSIDER</u> (Y/N)	<u>IMPAIRED</u> (Y/N)	<u>TREATMENT</u>
10	<p>Secured claim of: Toyota Motor Credit Corp.</p> <p>Collateral description: 2006 Isuzu truck</p> <p>Collateral value: Unknown</p> <p>Priority of security interest: First.</p> <p>Total claim amount: \$15,644.94 per proof of claim filed by Toyota Motor Credit Corp.</p>	No	No	<p>Treatment: On the Effective Date, either the Plan Agent or the Debtor will assume the Master Lease Agreement and cure any pre-petition default. After the Effective Date, the Reorganized Debtor will continue to pay the payments under the terms of the Master Lease Agreement through the term of same.</p> <p>In the alternative, the Plan Agent or Trustee may elect to surrender to Toyota on the Effective Date the collateral securing the Class 10 Allowed Secured Claim in full satisfaction of such Claim. Any Allowed Deficiency Claim shall be treated as a Class 13 Allowed General Unsecured Claim.</p> <p>Retention of Lien: The Class 10 Claimant will retain its lien with its existing level of priority until its Allowed Secured Claim is paid in full or the subject collateral surrendered.</p>

Other Classes of Claims.

11. Class 11: Claims of Holders of Vested Interests in Memorial Gardens.

Class 11 consists of the Allowed Claims of Holders of Vested Interests in the Debtor's Memorial Gardens. Pre-petition the Debtor marketed and sold burial plots and/or "niches" to the general public. Each purchaser of such an interest has an exclusive right to use such interest pursuant to applicable California law, including but not limited to Cal. Health & Safety Code Sections 8555 and 8558.

The holders of such Vested Interests shall retain their rights as against the Debtor, the Crystal Cathedral Campus, including the Memorial Gardens, and as against any purchaser of the Crystal Cathedral Campus as may be provided by the terms of this Plan.

1 The Allowed Claims of Holders of Vested Interests in the Debtor's Memorial Gardens are
2 unimpaired under this Plan.

3 **12. Class 12: Priority Unsecured Claims.**

4 Certain priority claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7)
5 are required to be placed in classes. These types of claims are entitled to priority treatment as
6 follows: the Code requires that each holder of such a claim receive cash on the Effective Date
7 equal to the allowed amount of such claim. However, a class of unsecured priority claim holders
8 may vote to accept deferred cash payments of a value, as of the Effective Date, equal to the
9 allowed amount of such claims. Absent an agreement providing otherwise, the Allowed Class 12
10 Claims will be paid in full on the Effective Date.

11 The holders of allowed Class 12 Priority Unsecured Claims are unimpaired under this
12 Plan.

13 **13. Class 13: Class of General Unsecured Claims.**

14 Class 13 consists of all Allowed General Unsecured Claims not entitled to priority under
15 Code Section 507(a).

16 Allowed Class 13 Claims will be paid in full from the net proceeds of the sale of the
17 Debtor's Real and Personal Property Assets, Cash on hand on the Effective Date, and, if
18 necessary, post-confirmation revenues of the Debtor, as follows:

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<u>CLASS</u> <u>#</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> <u>(Y/N)</u>	<u>TREATMENT</u>
13	General Unsecured Claims Total amt of claims = Estimated by the Debtor to be approximately \$12,500,000.00, exclusive of Claims of Insiders and Endowment Fund Claimants.	Yes.	<p>Treatment: Allowed General Unsecured Claims shall be paid all or a portion of the following as necessary to satisfy such claims in full:</p> <p>(a) 100% of the Net Sale Proceeds from the sale of the Crystal Cathedral Campus after the Allowed Secured Claim of F&M is paid in full, or following reserve for the maximum Secured Claim asserted by F&M in the event a dispute arises regarding the amount of F&M's Secured Claim;</p> <p>(b) 100% of the Net Sale Proceeds from the sale of the Condominium after the Allowed Secured Claim of G&B is paid in full;</p> <p>(c) 100% of the Net Sale Proceeds from the sale of the Debtor's Personal Property Assets after the Allowed Secured Claim of CMA is paid in full;</p> <p>(d) 100% of the Debtor's cash on hand on the Effective Date; and,</p> <p>(e) 100% of any post Confirmation revenues generated by the Debtor until such time as the Class 13 Claimants are paid in full.</p> <p>General Unsecured Creditors shall be entitled to interest on their Allowed Claims, at the Allowable Interest Rate, from the date of Confirmation to the day of payment in full of such Claim.</p> <p>See, Means of Performing the Plan Section of this Plan for further details regarding timing of payments to Class 13 Creditors.</p>

1 **14. Class 14: Claims of Insiders.**

2 After Allowed Administrative Claims, Allowed Secured Claims, Allowed Priority Claims,
3 Allowed Interest Holder Claims and Allowed General Unsecured Claims are paid in full, the
4 Holders of Claims of Insiders will receive their Pro-Rata share of payments until their Claims are
5 paid in full provided that such payments will not result in a negative monthly ending cash balance
6 and the Debtor is able to maintain a calendar year-end cash balance of at least \$1,000,000. Such
7 distribution shall not include any accrued interest on such Allowed Claims. The Debtor estimates
8 claims in this Class total approximately \$2,029,259.00.

9 In the event that any Class 14 Creditor votes to reject this Plan, the Committee will
10 proceed to file formal objections to the Insider Claims on the basis that such individuals did not
11 provide any value to the Estate which would otherwise give rise to valid Claims, and will further
12 commence the necessary actions to recover what it believes are preferential payments made to
13 such Insiders within the two-year period prior to the Petition Date, including but not limited to an
14 action against the Robert Harold Pension Trust for distributions received in or about May 2010
15 from the sale of the Debtor's interest in certain real property located in San Juan Capistrano,
16 California. Pending the determination of such formal objections, the Plan Agent or Trustee will
17 reserve on a pro-rata basis in the Disputed Claims Reserve funds equal to any distribution such
18 Insiders would be entitled to receive as Class 13 Claimants. No distributions will be received by
19 the Insider Claimants until such time as objections to their respective Claims are resolved by
20 order of the Court, and resolution of any preferential or fraudulent conveyance actions
21 commenced against such Insider(s).

22 **15. Class 15: Endowment Fund.**

23 The Debtor scheduled a pre-petition Claim in favor of what it refers to as the "Endowment
24 Fund". The Committee has researched the basis for this alleged Claim and has determined that
25 the Endowment Fund is not a separate legal entity but rather an unrestricted bank account
26 established by the Debtor for the purpose of holding certain donations received from members of
27 its congregation and third parties. The Committee further believes that based upon applicable
28 California law, the parties who donated the funds deposited into the Endowment Account have no

1 identifiable claims against the Debtor, the Estate or the Endowment Fund. In an abundance of
2 caution, however, the Debtor and the Committee, in cooperation with the Office of the United
3 States Trustee, agreed that the Debtor would provide a notice of claims bar date to all parties who
4 donated funds deposited into the Endowment Account. The Claims Bar Date established pursuant
5 to such notice is September 12, 2011. Prior to the Confirmation Hearing, the Committee will file
6 appropriate claims objections to the Class 15 Claims so that the interests of such Claimants can be
7 determined. Pending the determination of such formal objections, the Plan Agent or Trustee will
8 reserve on a pro-rata basis in the Disputed Claims Reserve funds equal to any distribution such
9 Class 15 Claimants would be entitled to receive as Class 13 Claimants. No distributions will be
10 received by the Class 15 Claimants until such time as objections to their respective Claims are
11 resolved by order of the Court.

12 X.

13 **MEANS OF IMPLEMENTING THE PLAN**

14 A. **Means of Performing the Plan.**

15 This article is intended to explain the means by which the Committee intends to effectuate
16 the distributions to creditors provided for under the Plan. This article provides information
17 regarding prospective corporate governance of the Debtor, if any, funding sources for Plan
18 obligations, and other material issues bearing upon the performance of the Plan.

19 1. **Funding for the Plan.**

20 The proposed payments to creditors and interest holders contemplated by the Plan shall be
21 collectively referred to herein as the "Plan Obligations".

22 The Plan will be funded from the following primary sources: (1) approximately \$50
23 million in gross proceeds from the sale of substantially all of the Debtor's Real Estate Assets; (2)
24 approximately \$4.1 million from a combination of Cash on the Effective Date and (3), to the
25 extent necessary, cash flow from the Debtor's continued operation of its ministry and
26 approximately \$750,000.00 from the sale of the Personal Property Assets.

27 With regard to the sale of the Crystal Cathedral Campus, the Committee and the Debtor
28 have received written offers to purchase this Estate asset from the following parties:

1 Chapman University ("CU") - \$50 million purchase price⁵, with real estate leaseback and
2 repurchase options for the Debtor, as set forth in the Letters of Intent dated July 22, 2011 and
3 August 4, 2011, and the Proposed Leaseback and Option to Repurchase Schedule, which are
4 attached hereto collectively as Exhibit "4".

5 The Roman Catholic Bishop of Orange, a California corporation sole ("RCBO") – a
6 purchase price of \$53,600,000 (including a \$3,600,000 rent reserve in the event the Debtor elects
7 to accept leaseback options), as set forth in the Executive Summary of CCM Purchase and Sale
8 Agreement attached hereto as Exhibit "5".

9 The Committee is informed and believes that Hobby Lobby has submitted a purchase
10 proposal to the Debtor, designating a purchase price of \$47,500,000. The Committee has not
11 been provided a copy of this purchase proposal but has communicated with counsel for this
12 prospective buyer.

13 A written purchase proposal has been filed by My Father's House Church International
14 ("MFHCI"), purporting to offer \$50 million for the Crystal Cathedral Campus. A true and correct
15 copy of the MFHCI Offer and Letter of Intent is attached hereto as Exhibit "6". This proposal
16 contemplates payments to Creditors over an extended period of time and is believed by the
17 Committee to be inferior to the other offers referenced above.

18 The Committee is informed and believes that at least one additional third party may be in
19 the process of formulating a purchase proposal for the Crystal Cathedral Campus.

20 **Option A :**

21 If the Debtor elects to cooperate with the Committee in its efforts to maximize the value
22 of the Estate's assets for the benefit of Creditors, the Crystal Cathedral Campus will be sold for a
23 purchase price of not less than \$50 million. The Debtor will determine which of the pending
24 purchase proposals shall be presented to the Court at the Confirmation Hearing (subject to pre-
25 approval by the Committee, in writing), based upon purchase price, leaseback and repurchase
26 options offered. The proposed sale will be consummated on or before the Effective Date.

27
28 ⁵ The purchase price is subject to reduction in the event the Secured Claim of F&M is reduced,
either consensually or by Court order. See Exhibit "5" for further details.

1 If the Debtor selects the \$50 million CU purchase proposal, the Debtor will leaseback
2 what are referred to as the Ministry Buildings⁶ at the rate of \$150,000 per month triple net, with
3 3% annual increases, for a 15 year term. CU will further lease back to the Debtor the basement
4 and floors 1 and 2 of what is referred to as the Family Life Building at the rate of \$65,000 per
5 month triple net, with no annual increases, for a 2 year term. The Debtor operates its Christian
6 school facility from these portions of the Family Life Building.

7 CU will further grant to the Debtor the right to repurchase the Ministry Buildings for the
8 price of \$27,500,000.

9 Chapman University will utilize the Crystal Cathedral Campus as a satellite campus, a use
10 compatible with the Debtor's current use of the premises, and future operations should the Debtor
11 elect to support this Plan.

12 The above terms are general and subject to revision and documentation at or prior to the
13 Confirmation Hearing, but in no event will the CU proposal provide for a purchase price less than
14 \$50 million.

15 If the Debtor selects the \$53,600,000 RCBO purchase proposal, the Debtor can elect
16 whether or not to leaseback certain portions of the Crystal Cathedral Campus. If no leaseback
17 occurs, the Debtor will receive the entire \$53,600,000, less closing costs. If a leaseback on the
18 terms below is elected by the Debtor, up to \$3,600,000 of the proposed purchase price will be
19 utilized by RCBO as a rent reserve to ensure the Debtor timely tenders all required lease
20 payments. If the Debtor vacates the Crystal Cathedral Campus prior to the end of the second
21 lease year, the Debtor will receive any funds remaining in the rent reserve.

22 If the Debtor elects to leaseback certain portions of the Crystal Cathedral Campus, RCBO
23 will lease back to the Debtor the Ministry Buildings, including the Welcoming Center but
24 excluding the Memorial Gardens, at the rate of \$150,000 per month triple net, with 3% annual
25 increases, for a 3 year term. RCBO will further lease back to the Debtor the basement and floors
26 1 and 2 of what is referred to as the Family Life Building at the rate of \$10,000 per month triple
27 net, for a period of 6 months.

28 ⁶ Ministry Buildings to include the Crystal Cathedral Church, Tower of Hope, Arboretum, Family
Lounge, Art Gallery, Spire and Prayer Chapel and the Memorial Gardens.

1 RCBO will utilize the Crystal Cathedral Campus as a new home for its congregation,
2 requiring the Debtor to completely vacate the premises within 3 years of the Effective Date.

3 The above terms are general and subject to revision and documentation at or prior to the
4 Confirmation Hearing, but in no event will the RCBO proposal provide for a purchase price less
5 than \$50,000,000.

6 Attached hereto as Exhibit "7" is a comparison of the current CU and RCBO offers, with
7 and without leaseback options.

8 With the consent of the Committee, the Debtor may determine that an alternate purchase
9 proposal is in the best interests of the Debtor and the Creditors, resulting in the Committee
10 presenting an alternate sale transaction to the Court for approval at the time of the Confirmation
11 Hearing. Any such alternate sale transaction will provide for a purchase price of not less than \$50
12 million and provide the means by which General Unsecured Claims shall be paid in full pursuant
13 to the terms of the Plan.

14 **Option B:**

15 In the event the Debtor elects to oppose the Plan, the Committee, through the Plan Agent
16 or the Trustee, will proceed at the Confirmation Hearing to consummate a sale transaction with a
17 buyer that may not include the lease back provisions or repurchase option referenced in Option A
18 above.

19 **Not less than fifteen (15) days prior to the Confirmation Hearing, the Committee will**
20 **designate the purchaser/sale proposal selected by the Committee, under either Option A or**
21 **Option B.**

22 **Provisions Applicable to Option A or Option B:**

23 As set forth in the Liquidation Analysis attached hereto as Exhibit "8", the Feasibility
24 Analysis/Key Assumptions attached hereto as Exhibit "9", and the Financial Projections attached
25 hereto as Exhibit "10", estimated cash on hand with the Debtor at the Effective Date, coupled
26 with proceeds from the sale and disposition of the Debtor's remaining Real and Personal Property
27 Assets, will provide funds to satisfy the Plan Obligations described in this Plan.
28

1 The Committee may seek the appointment of a Trustee prior to Confirmation for the
2 purpose of fulfilling the Debtor's fiduciary obligations to creditors under the Bankruptcy Code.
3 In addition, or in the alternative, at least 21 days before the Plan Confirmation hearing, the
4 Committee will file with the Court a proposed nomination of an individual to serve as the Plan
5 Agent pursuant to the terms of this Plan. The Plan Agent or Trustee will be responsible for
6 carrying out the terms of this Plan. The compensation of the Plan Agent or Trustee will be
7 subject to the approval of the Bankruptcy Court upon noticed application for approval of the
8 requested compensation of the Plan Agent or Trustee, and will not, in any event, exceed the
9 maximum compensation that would be payable to a trustee pursuant to 11 U.S.C. § 326. Legal
10 representation of the Plan Agent or Trustee will be provided by Ringstad & Sanders, LP, the law
11 firm presently representing the Committee. The Committee will be disbanded on the Effective
12 Date and Ringstad & Sanders, LP will provide legal services to the Plan Agent or Trustee in
13 his/her efforts to ensure that the goals of this Plan are fully achieved. Ringstad & Sanders will be
14 entitled to receive payment on an ongoing basis for their services from the funds in the possession
15 of the Plan Agent or Trustee. Prior to entry of a final decree, the Plan Agent or Trustee and
16 Ringstad & Sanders shall file fee applications and obtain court approval of their fees and
17 expenses and shall disgorge any funds not awarded.

18 1. Sale of Real Property Assets of the Estate.

19 The Plan Agent or Trustee shall be responsible for the consummation of the sale of the
20 Crystal Cathedral Campus and the Laguna Beach Condominium (collectively the "Real
21 Property"). The Plan Agent or Trustee may engage a real estate agent to assist in the marketing
22 and sale of the Laguna Beach Condominium. The Plan Agent or Trustee shall be vested with the
23 authority to negotiate and sign all necessary documents to complete the sale of the Real Property,
24 including but not limited to Listing Agreements, Offers for Purchase and Sale, Agreements for
25 Purchase and Sale, Escrow Instructions and Grant Deeds. At the discretion of the Plan Agent or
26 the Trustee, Real Property may be sold in private sale or by auction. The Plan Agent or Trustee
27 will use their best efforts to complete the sale of the Real Property within six months following
28 the Effective Date. All Secured Creditors with an interest in Real Property sold under the Plan

1 will be paid in full from the proceeds of sale upon the close of escrow as otherwise provided by
2 the terms of the Plan.

3 2. Sale of Personal Property.

4 Concurrently with the sale of all Real Property, the Plan Agent or Trustee shall commence
5 liquidation of the Personal Property assets of the estate and may sell such Personal Property assets
6 as are determined to be necessary, in the sole discretion of the Plan Agent or Trustee, to enable
7 payment in full of the Plan Obligations. The order or manner of liquidation of the Personal
8 Property, including the choice of which items to liquidate shall be in the sole discretion of the
9 Plan Agent or Trustee. No Court approval shall be required prior to sale of any item. The Plan
10 Agent or Trustee shall be invested with authority to employ any persons that the Plan Agent or
11 Trustee believes are reasonable necessary to compete such sales, including but not limited to
12 Personal Property sales agents and/or auctioneers, and to compensate such persons from such
13 sales in the Plan Agent's or Trustee's discretion. The Plan Agent or Trustee shall further be
14 vested with the authority to execute all documents necessary to accomplish such sales, including
15 contracts of sale and bills of sale.

16 With regard to Real and Personal Property Asset sales, the Plan Agent or the Trustee shall
17 marshal such Assets such that only those Assets as are necessary to fund the Plan Obligations are
18 sold.

19 3. Use of Real and Personal Property Prior to Sale.

20 The Debtor may continue its operations after Confirmation of the Plan so long as the
21 Debtor complies with all provisions of the Plan. The Debtor may continue its use and occupancy
22 of the Crystal Cathedral Campus and use of the Personal Property owned by the Debtor until
23 written request by the Plan Agent or Trustee to vacate and turnover possession of Real Property,
24 or to turnover possession of Personal Property, including any Cash on hand at Confirmation.
25 Upon receipt of such written request, the Debtor must vacate the Real Property as to which the
26 request was made and turnover possession to the Plan Agent or Trustee, or turnover possession of
27 the Personal Property as to which demand was made, within 10 days following the request. If the
28 Debtor fails to timely vacate such parcel or turnover such Personal Property, the Plan Agent or

1 Trustee may seek an Order for Possession from the Bankruptcy Court by way of emergency
2 motion. The only issues at such hearing will be (i) whether the written request was provided; (ii)
3 whether 10 days have elapsed since the written request was received by the Debtor; and (iii)
4 whether the Debtor has turned over the subject Real Property or Personal Property. If the Court
5 finds by a preponderance of the evidence that the written request was provided, 10 days have
6 elapsed since the written request was provided, and the Debtor has failed turnover the Real
7 Property or Personal Property as to which the request was made, then the Court shall issue an
8 immediate Order for Possession granting to the Plan Agent or Trustee the immediate possession
9 of the subject Real Property or Personal Property.

10 The Debtor's ability to continue use of the Real Property and the Personal Property
11 following confirmation of the Plan is subject to: (i) the continued maintenance of the Real
12 Property and the Personal Property by the Debtor; (ii) compliance by the Debtor with all
13 restrictions on use of the Real Property and/or the Personal Property in accordance with any
14 written requests made by the Plan Agent or Trustee; (iii) payment of all utility costs arising from
15 the use of the Real Property; (iv) maintenance of Real Property and Personal Property insurance
16 policies and a liability policy, as to which the Plan Agent or Trustee will be a named insured, in
17 amounts and with terms acceptable to the Plan Agent in his/her sole discretion.

18 4. Post-Confirmation Disbursements.

19 Each Allowed Secured Claim encumbering a Real Property shall be paid in full at the
20 close of escrow for the sale of such Real Property. The Plan Agent or Trustee may make a pro
21 rata distribution to General Unsecured Creditors (Allowed Class 13, 14 and 15 Claimants) upon
22 close of the sale of the Crystal Cathedral Campus. The date of such distribution shall be referred
23 to herein as the First Distribution Date. The Plan Agent or Trustee shall make a second pro rata
24 distribution to General Unsecured Creditors upon close of sale of the Condominium, or
25 liquidation of the Personal Property Assets, in the discretion of the Plan Agent or Trustee. The
26 date of such distributions shall be referred to herein as the Additional Distribution Dates.
27
28

1 5. Post-Confirmation Abandonment Following Payment in Full of All Plan
2 Obligations.

3 Upon payment in full of all Plan Obligations, approval by the Court of the Plan Agent's or
4 Trustee's Final Report and Account and entry of Final Decree, the Plan Agent or Trustee shall
5 disburse any remaining funds to the Debtor, and all remaining assets of this Bankruptcy Estate
6 shall be deemed abandoned to the Debtor.

7 6. Post Confirmation Committee:

8 Until such time as the Plan Obligations are paid in full, the Committee shall continue to
9 exist after the Confirmation Date so long as it is comprised of at least 3 members (the "Post-
10 Confirmation Committee"). The Post-Confirmation Committee's duties will include: (1)
11 consulting with the Reorganized Debtor, the Plan Agent or Trustee, with regard to consummation
12 of the Plan; (2) until such time as all payments to Class 13 Claimants are made in full,
13 investigating the financial condition of the Reorganized Debtor, the operation of the Reorganized
14 Debtor's business and other matters relevant to consummation of the Plan; and (3) enforcing,
15 filing, litigating, prosecuting, settling and collecting (on behalf of the Estate) the Estate Claims.
16 Notwithstanding the rights of the Post-Confirmation Committee, nothing in this Plan shall require
17 the Post-Confirmation Committee to prosecute or litigate any such matters, all of which may be
18 determined by the Post-Confirmation Committee in the exercise of its sole and absolute
19 discretion. The Post-Confirmation Committee will be entitled to retain counsel and its reasonable
20 fees and expenses will be paid from the Net Sale Proceeds or the Reorganized Debtor. Pursuant
21 to Section 327(e) of the Code, employment of a professional by a trustee and a creditor is
22 permissible.

23 7. Compliance with California State Law Governing the Transfer of Property by a
24 Nonprofit Corporation.

25 The Debtor, the Plan Agent or any Trustee appointed by the Court will comply with
26 applicable California state law governing the transfer of property by a nonprofit corporation.
27 Post-confirmation, the Debtor will continue to be managed by management of its choosing.
28 Neither the Plan Agent nor the Trustee will not be responsible for any post-Confirmation

1 management or operations of the Debtor.

2
3 As of the Effective Date, the Plan Agent or the Trustee may use, acquire, and dispose of
4 property and settle and compromise Claims without the supervision of, or any authorization from,
5 the Bankruptcy Court or the United States Trustee, and free of any restriction of the Bankruptcy
6 Code or Bankruptcy Rules, other than those restrictions specifically provided for in the Plan or
7 the Confirmation Order.

8 As of the Effective Date, the Reorganized Debtor may operate its ministry, subject to the
9 terms and provisions of the Plan or the Confirmation Order.

10 Any Net Sales Proceeds or other liquidation proceeds available after satisfaction of all
11 Plan Obligations will be abandoned to the Debtor.

12 **B. Avoidance Actions.**

13 **THE COMMITTEE HAS NOT DETERMINED WHETHER ANY ESTATE**
14 **CLAIMS EXIST, INCLUDING, WITHOUT LIMITATION, WHETHER THERE ARE**
15 **ANY AVOIDANCE ACTIONS THAT MAY BE FILED BY THE POST-**
16 **CONFIRMATION COMMITTEE AFTER THE CONFIRMATION DATE. THIS**
17 **INVESTIGATION IS ONGOING AND WILL OCCUR, IN LARGE PART, AFTER THE**
18 **CONFIRMATION DATE. AS A RESULT, ALL PARTIES-IN-INTEREST ARE HEREBY**
19 **ADVISED THAT, NOTWITHSTANDING THE FACT THAT THE EXISTENCE OF ANY**
20 **PARTICULAR AVOIDANCE ACTION OR OTHER ESTATE CLAIM MAY NOT BE**
21 **LISTED, DISCLOSED OR SET FORTH IN THE PLAN, AN AVOIDANCE ACTION OR**
22 **OTHER ESTATE CLAIM MAY BE FILED AGAINST ANY CREDITOR OR OTHER**
23 **PARTY AT ANY TIME.**

24 Notwithstanding anything to the contrary herein, one hundred percent (100%) of any Net
25 Proceeds recovered, either before or after the Effective Date, from prosecution or settlement of
26 Avoidance Action claims shall be paid in the following Order: (i) first, to satisfy any unpaid
27 professional fees incurred in prosecuting the Avoidance Action(s); (ii) second, to Creditors
28 holding Allowed Administrative Claims and Allowed Cure Claims, based on the pro rata share of

1 such Claims, up to an amount that, in conjunction with other payments made to these Creditors
2 under the Plan, renders such Creditors Paid in Full; (iii) third, to Creditors holding Allowed
3 Priority Tax Claims, up to an amount that, in conjunction with other payments made to these
4 Creditors under the Plan, renders such Creditors Paid in Full; (iv) fourth, to Creditors holding
5 Allowed General Unsecured Claims, up to an amount that, in conjunction with other payments
6 made to these Creditors under the Plan, renders such Creditors Paid in Full; and (v) fifth, to
7 Creditors holding Allowed Subordinated Insider Claims, up to an amount, that in connection with
8 other payments made to these Creditors under the Plan, renders such Creditors Paid in Full.
9 Within three Business Days after the Plan Agent or Trustee receives any such Net Proceeds, the
10 Plan Agent or Trustee shall deposit such proceeds into the Net Sales Proceeds Account for the
11 benefit of the foregoing from which no disbursements shall be made except for the purpose of
12 funding Distributions hereunder to the foregoing Creditors. The Plan Agent or Trustee shall use
13 the funds held in this account to make distributions pursuant to the terms of the Plan. Allowed
14 Claims of the foregoing Creditors shall be credited by the amount of Net Proceeds paid to
15 Creditors of such Claims.

16 **C. Disposition of Assets.** From and after the Effective Date, the Plan Agent or
17 Trustee shall be entitled to sell, transfer, encumber or otherwise dispose of any interest in any of
18 the Estate's assets, without any need for notice to Creditors or approval of the Bankruptcy Court.

19 **D. Compromise of Controversies.** From and after the Effective Date, the Plan
20 Agent, Trustee and the Post-Confirmation Committee shall be entitled to compromise any
21 objections to Disputed Claims, or any controversies relating to Post-Confirmation Estate Claims,
22 Avoidance Actions or other litigation pending after the Confirmation Date without the need for
23 notice to Creditors or approval of the Bankruptcy Court.

24 **E. Bankruptcy Court Approval Relative to Post-Confirmation Matters.** Nothing
25 contained in the Plan shall be deemed to impair in any manner the right of the Plan Agent,
26 Trustee, Reorganized Debtor, the Post-Confirmation Committee or any party-in-interest to seek at
27 any time after the Effective Date orders of the Bankruptcy Court approving actions to be taken
28 consistent with the Plan as may be necessary or desirable to effectuate the provisions of the Plan.

In accordance with the provisions of Section 553 of the Bankruptcy Code, the Internal Revenue Service shall be entitled to set off against any amounts that the Internal Revenue Service may owe to the Estate on account of overpayments by the Debtor of pre-confirmation taxes any pre-confirmation tax liabilities that the Debtor may owe to the Internal Revenue Service.

XI.

A. Distributions.

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1 deemed timely if made as soon as practicable thereafter but, in any event, within fifteen (15) days
2 thereafter.

3 2. Limitation on Liability. Neither the Plan Agent, Trustee, the Reorganized
4 Debtor, its respective affiliates, the Committee, nor any of its respective employees, members,
5 officers, directors, agents, or Professionals shall be liable for (i) any acts or omissions (except for
6 willful misconduct) in connection with implementing the Distribution provisions of the Plan and
7 the making or withholding of Distributions pursuant to the Plan, or (ii) any change in the value of
8 Distributions made pursuant to the Plan resulting from any delays in making such Distributions in
9 accordance with the terms of the Plan (including, but not limited to, any delays caused by the
10 resolution of Disputed Claims).

11 **B. Instruments.**

12 1. Rights of Persons Holding Instruments. Except as otherwise provided
13 herein, as of the Effective Date, and whether or not surrendered by the holder thereof, all
14 Instruments evidencing or relating to any Claims shall be deemed automatically cancelled and
15 deemed void and of no further force or effect, without any further action on the part of any
16 person, and any Claims evidenced by or relating to such Instruments shall be deemed discharged.

17 2. Cancellation of Liens. Except as otherwise provided herein, any Lien
18 securing any Secured Claim shall be deemed released and discharged, and the Creditor holding
19 such Secured Claim shall be authorized and directed to release any collateral or other property of
20 the Debtor (including, without limitation, any cash collateral) held by such Creditor and to take
21 such actions as may be reasonably requested by the Plan Agent or Trustee to evidence the release
22 of such Lien, including, without limitation, by the execution, delivery and filing or recording of
23 such releases as may be requested by the Plan Agent or Trustee.

24 **C. De Minimis Distributions.** The Plan Agent or Trustee is not required to make
25 any Cash distribution of less than \$10.00, but may do so in the sole discretion of the Plan Agent
26 or Trustee. Whenever payment of a fraction of a cent would otherwise be called for, the actual
27 payment shall reflect a rounding down of such fraction to the nearest whole cent. Any Cash or
28 other property that is not distributed as a consequence of this section shall, after the last

1 Distribution on account of Allowed Claims in the applicable Class, be treated as Unclaimed
2 Property under the Plan.

3 **D. Delivery of Distributions.** Except as provided in the Plan with respect to
4 Unclaimed Property, Distributions to holders of Allowed Claims and Allowed Administrative
5 Claims shall be distributed by mail as follows: (i) with respect to each holder of an Allowed
6 Claim that has filed a Proof of Claim, at the address for such Creditor reflected in such Proof of
7 Claim; (ii) with respect to each holder of an Allowed Claim that has not filed a Proof of Claim, at
8 the address reflected on the Schedules filed by the Debtor; provided, however, that, if the Plan
9 Agent or Trustee have received a written notice of a change of address for such Creditor, the
10 address set forth in such notice shall be used; or (iii) with respect to each holder of an Allowed
11 Administrative Claim, at such address as the holder thereof may specify in writing.

12 **E. Undeliverable Distributions.** No further distribution of Unclaimed Property shall
13 be made to a Creditor unless and until the Plan Agent or Trustee are notified in writing of such
14 Creditor's then current address. Subject to the provisions of Section G hereof, Unclaimed
15 Property shall remain in the possession of the Plan Agent or Trustee pursuant to Section G, and
16 shall be set aside and held in the Unclaimed Property Reserve to be maintained by the
17 Distribution Agent until such time as the subject Distribution becomes deliverable. Nothing
18 contained in the Plan shall require the Plan Agent or Trustee or any other person to attempt to
19 locate such Creditor.

20 **F. Disposition of Unclaimed Property.** If the Creditor entitled to a Distribution of
21 Unclaimed Property notifies the Plan Agent or Trustee of such Creditor's claim to the
22 Distribution of such Unclaimed Property within nine (9) months following the Initial Distribution
23 Date, the Unclaimed Property distributable to such Creditor shall be released from the Unclaimed
24 Property Reserve and paid to such Creditor within fifteen (15) days thereof. Any Holder of an
25 Allowed Claim or Allowed Administrative Claim that does not assert a claim in writing for
26 Unclaimed Property held by the Plan Agent or Trustee within nine (9) months following the
27 Initial Distribution Date shall no longer have any claim to or interest in such Unclaimed Property,
28 and shall be forever barred from receiving any Distributions under the Plan or otherwise from the

1 Reorganized Debtor. In such cases, any such Unclaimed Property shall be retained by the Plan
2 Agent or Trustee, shall not be subject to the unclaimed property or escheat laws of any state or
3 other governmental unit, and shall be distributed on account of Allowed General Unsecured
4 Claims at the time when the succeeding Distribution is to be paid to General Unsecured Creditors
5 pursuant to the Plan, or abandoned to the Reorganized Debtor if all Plan Obligations have been
6 been paid in full.

7 **XII.**

8 **OBJECTIONS TO CLAIMS AND DISPUTED CLAIMS**

9 **A. Objections to Claims.** The Plan Agent, the Trustee, the Reorganized Debtor and
10 the Post-Confirmation Committee shall have the right to file objections to Claims. Unless another
11 date is established by order of the Bankruptcy Court, any objection to a Claim shall be filed with
12 the Bankruptcy Court and served on the Reorganized Debtor or the Post-Confirmation Committee
13 as the case may be, and the Creditor holding such Claim on or before the applicable Claims
14 Objection Deadline. The Plan Agent, the Trustee, the Reorganized Debtor and the Post-
15 Confirmation Committee shall have the right to request that the Bankruptcy Court extend the
16 Claims Objection Deadline.

17 Notwithstanding the fact that the Plan Agent, the Trustee, the Reorganized Debtor and the
18 Post-Confirmation Committee shall have the right to file, litigate, and settle objections to
19 Disputed Claims on behalf of the Debtor and Estate, nothing contained herein shall be deemed to
20 obligate such parties to take any such actions, all of which shall be determined by the parties in
21 their sole and absolute discretion. No settlement of any objection to a Claim may be made
22 without the express written consent of the Post Confirmation Committee and the Plan Agent or
23 Trustee. If the Post Confirmation Committee or the Plan Agent object to a proposed settlement of
24 an objection to a Claim, then the objecting party may request approval of the Court to substitute
25 in as the objecting party.

26 **THE COMMITTEE HAS NOT FULLY REVIEWED THE CLAIMS IN THE CASE**
27 **OR DETERMINED WHETHER OBJECTIONS TO CLAIMS EXIST. THIS**
28 **INVESTIGATION IS ONGOING AND MAY OCCUR, IN LARGE PART, AFTER THE**

1 **CONFIRMATION DATE. AS A RESULT, CREDITORS AND OTHER PARTIES-IN-**
2 **INTEREST ARE HEREBY ADVISED THAT, NOTWITHSTANDING THAT THE**
3 **EXISTENCE OF ANY PARTICULAR OBJECTION TO A DISPUTED CLAIM MAY**
4 **NOT BE LISTED, DISCLOSED OR SET FORTH IN THE PLAN, AN OBJECTION TO A**
5 **CLAIM MAY BE FILED AGAINST ANY CREDITOR OR PARTY-IN-INTEREST AT**
6 **ANY TIME, SUBJECT TO THE CLAIMS OBJECTION DEADLINE. THE**
7 **COMMITTEE HEREBY RESERVES THE RIGHT TO OBJECT TO AMOUNTS THAT**
8 **HAVE BEEN SCHEDULED BY THE DEBTOR, OR REFLECTED IN THE DEBTOR'S**
9 **BOOKS AND RECORDS, AND WHICH ARE FOUND TO BE OBJECTIONABLE IN**
10 **ANY RESPECT.**

11 **B. Treatment of Disputed Claims.**

12 1. No Distribution Pending Allowance. If any portion of a Claim is a
13 Disputed Claim, no Distribution provided for under the Plan shall be made on account of such
14 Claim unless and until such Claim becomes an Allowed Claim and is no longer a Disputed Claim.

15 2. Distribution After Allowance. Within thirty (30) days following the date
16 on which a Disputed Claim becomes an Allowed Claim and is no longer a Disputed Claim, the
17 Distribution Agent shall distribute to the Creditor holding such Allowed Claim any Cash that
18 would have been distributable to such Creditor if, at the time of the making of any Distribution to
19 the Class of which such Creditor is a member, such Claim had been an Allowed Claim and not a
20 Disputed Claim.

21 3. Reserves for Disputed Claims. In the event that a Disputed Claim is
22 pending as to a Class 13, 14 or 15 Creditor, the Distribution Agent shall establish a Disputed
23 Claims Reserve, and maintain a reasonable reserve necessary to pay such Disputed Claim. No
24 disbursement of funds from the Disputed Claims Reserve shall be made on account of a Disputed
25 Claim until such Disputed Claim has been determined by a Final Order of the Bankruptcy Court.
26 In the event that any Disputed Claim is ultimately disallowed by the Bankruptcy Court, the
27 amount reserved for such Disputed Claim, which has been disallowed by the Bankruptcy Court,
28 shall be distributed on account of Allowed General Unsecured Claims at the time when the

succeeding Distribution is to be paid to General Unsecured Creditors, or abandoned to the Reorganized Debtor if all Plan Obligations and post Confirmation obligations of the Plan Agent or Trustee have been satisfied in full.

XIII.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Executory Contracts Assumption/Rejection.

Option A: The following are the unexpired leases and executory contracts to be assumed as obligations of the Reorganized Debtor under the Plan:

i. All current policies of insurance consisting of title insurance, commercial general liability, excess / umbrella liability insurance and automobile insurance policies; and,

ii. All existing lease agreements with all tenants of the Crystal Cathedral Campus, including UCI Medical for lease of a portion of the parking areas located thereon.

Option B: In connection with the consummation of a sale of the Crystal Cathedral Campus, the purchaser shall determine within five (5) days of the date of consummation of such transaction whether it wishes to receive an assignment of the UCI Medical lease for a portion of the parking areas located upon the Crystal Cathedral Campus. Based upon this election, the Plan Agent or the Trustee will seek Court approval of the assumption and assignment of the UCI Medical Lease in connection with Plan Confirmation, or a rejection of same. Insurance policies will be rejected upon disposition of all real and personal property assets subject to same.

The Order of the Court confirming the Plan shall constitute an Order approving the assumption or rejection of each lease and contract listed above. If you are a party to a lease or contract to be assumed and you object to the assumption of your lease or contract, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan. If you are a party to a contract or lease to be rejected and you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

1 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM
2 ARISING FROM THE REJECTION OF A LEASE OR CONTRACT IS 30 DAYS
3 FOLLOWING ENTRY OF ANY ORDER AUTHORIZING THE REJECTION OF THE LEASE
4 OR CONTRACT, INCLUDING THE ORDER CONFIRMING THIS PLAN, IF THE
5 CONTRACT OR LEASE IS REJECTED BY THE TERMS OF THIS PLAN. Any Claim based
6 on the rejection of an executory contract or unexpired lease will be barred if the Proof of Claim is
7 not timely filed, unless the Court later orders otherwise.

8 B. **Payment of Cure Claims.** The Plan Agent or Trustee shall be responsible for the
9 payment of all Allowed Cure Claims. The Plan Agent or Trustee shall pay all Allowed Cure
10 Claims in full on the Effective Date.

11 C. **Retention of Property Rights.** To the extent that an agreement that provides the
12 Debtor with property rights does not constitute an executory contract or unexpired lease, or the
13 Debtor has obtained property rights under the executed portion of an executory contract or
14 unexpired lease, rejection of such agreement shall not constitute an abandonment by the Debtor or
15 the Estate of any such property rights.

16 D. **Bar Date for Rejection Damages.** Any Claim arising out of the rejection of an
17 executory contract or unexpired lease shall be forever barred and shall not be enforceable against
18 the Debtor, the Reorganized Debtor, its affiliates, its successors, Estate, or its properties, and shall
19 not be entitled to any Distribution under the Plan, unless a Proof of Claim for such Rejection
20 Claim is filed and served on the Debtor and the Committee within thirty (30) days after the later
21 of (i) the date of entry of the order of the Bankruptcy Court approving the rejection of the
22 executory contract or unexpired lease, or (ii) the Confirmation Date.

23 E. **Claims Schedule.** The Cure Claims Schedule shall be filed with the Bankruptcy
24 Court, and served on the Debtor and the non-debtor parties to such executory contracts and
25 unexpired leases, on or before the twenty-fourth (24th) day prior to the Confirmation Hearing.
26 Any objection to the amount of any Cure Claim set forth in the Cure Claims Schedule shall be
27 filed and served upon counsel for the Debtor and the Committee on or before the fourteenth
28 (14th) day prior to the Confirmation Hearing. In the event that any such objection to the amount

1 stated for a Cure Claim in the Cure Claims Schedule is not filed and served as set forth herein, the
2 amount of the Creditor's Cure Claim shall be deemed forever to be the amount set forth in the
3 Cure Claims Schedule, and any Cure Claim in excess of the amount set forth in the Cure Claims
4 Schedule shall be waived and shall be forever barred in the Case, without further notice. If the
5 Debtor or Committee cannot resolve any such objections with the Creditor, the Debtor or
6 Committee may either (i) elect to reject the executory contract or unexpired lease at the
7 Confirmation Hearing, or (ii) have the Bankruptcy Court determine the merits of the objection on
8 or after the Confirmation Hearing (without delaying the confirmation of the Plan). Any amount
9 of Cure Claim payable upon the assumption of an executory contract or unexpired lease shall be
10 due and payable on or before the fifteenth (15th) day after the entry of a Final Order fixing the
11 amount of the Cure Claim and then only in the amount fixed by such Final Order.

12 **XIV.**

13 **CONFIRMATION REQUIREMENTS AND PROCEDURES**

14 **A. Introduction.** PERSONS OR ENTITIES CONCERNED WITH
15 CONFIRMATION OF THE PLAN OR THE PROVISIONS OF THE PLAN SHOULD
16 CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON CONFIRMING A
17 PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended
18 solely for the purpose of alerting readers about basic confirmation issues, which they may wish to
19 consider, as well as certain deadlines for filing claims. The Committee CANNOT and DOES
20 NOT represent that the discussion contained below is a complete summary of the law on this
21 topic and are not providing any legal opinions with respect thereto.

22 Many requirements must be met before a Bankruptcy Court can confirm a Chapter 11
23 plan. Some of the requirements include that the plan must be proposed in good faith, the
24 distributions to non-accepting creditors and impaired classes must be at least as much as such
25 creditors would receive in a Chapter 7 liquidation, and the plan must be feasible. These
26 requirements are not the only requirements for confirmation.

1 **B. Who May Object to Confirmation of the Plan.** Any party-in-interest may object
2 to the confirmation of the Plan, but, as explained below, not every party-in-interest is entitled to
3 vote to accept or reject the Plan.

4 **C. Who May Vote to Accept/Reject the Plan.** A Creditor has a right to vote for or
5 against the Plan if that Creditor has a Claim that is both (1) Allowed or allowed for voting
6 purposes and (2) classified in an impaired Class.

7 1. What Is an Allowed Claim. As noted above, a Creditor must first have an
8 Allowed Claim or Interest to have the right to vote. Generally, a Proof of Claim will be allowed,
9 unless a party-in-interest brings a motion objecting to the Claim. When an objection to a Claim is
10 filed, the Creditor holding the Claim cannot vote unless the Bankruptcy Court, after notice and a
11 hearing, either overrules the objection or allows the Claim for voting purposes.

12 2. What Is an Impaired Class of Claim(s). As noted above, the holder of an
13 Allowed Claim has the right to vote on the Plan only if it is in a Class that is impaired under the
14 Plan. A Class is impaired if the Plan alters the legal, equitable, or contractual rights of the holders
15 of Claims in that Class, with certain exceptions.

16 The Committee believes that Classes 3, 4, 6, 7, 8, 10, 13, 14 and 15 are impaired under the
17 Plan. Parties who dispute the Committee's characterization of their Claim as being in an
18 impaired or unimpaired Class may file an objection to the Plan contending that the Committee
19 have incorrectly characterized the Class.

20 **D. Who Is Not Entitled to Vote.** The following four types of Claims are not entitled
21 to vote on the Plan: (1) Claims that have been disallowed; (2) Claims in unimpaired Classes;
22 (3) Administrative Claims and Priority Tax Claims; and (4) Claims in Classes that do not receive
23 or retain any property under the Plan. Claims in unimpaired Classes are not entitled to vote
24 because such Classes are deemed to have accepted the Plan. Administrative Claims and Priority
25 Tax Claims are not entitled to vote because such Claims are not placed in Classes and they are
26 required to receive certain treatment specified by the Bankruptcy Code. Claims in Classes that do
27 not receive or retain any property under the Plan do not vote because such Classes are deemed to
28

1 have rejected the Plan. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE,
2 YOU MAY STILL HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

3 **E. Who Can Vote in More Than One Class.** A Creditor whose Claim is both an
4 Allowed Secured Claim and an Allowed General Unsecured Claim is entitled to accept or reject
5 the Plan in both capacities by casting one ballot for the secured part of the Claim and another
6 ballot for the General Unsecured Claim. Also, any party who holds Allowed Claims in more than
7 one Class may vote the Claim in each Class.

8 **F. Votes Necessary to Confirm the Plan.** If impaired classes exist, the Bankruptcy
9 Court cannot confirm a Chapter 11 plan unless (1) all impaired classes have voted to accept the
10 plan, or (2) at least one impaired class has accepted the plan without counting the votes of any
11 insiders within that class and the plan is eligible to be confirmed by "cramdown" on non-
12 accepting classes, as discussed in the Article below.

13 **G. Votes Necessary for a Class to Accept the Plan.** A class of claims is deemed to
14 have accepted a Chapter 11 plan where more than one-half (1/2) in number and at least two-thirds
15 (2/3) in dollar amount of the claims that actually vote, vote in favor of the plan.

16 **H. Treatment of Non-Accepting Classes.** As noted above, even if there are
17 impaired classes that do not accept a Chapter 11 plan, a bankruptcy court may nonetheless
18 confirm the plan if the non-accepting classes are treated in the manner required by the Bankruptcy
19 Code and there is at least one impaired class that accepts the plan. The process by which a plan
20 can be confirmed and become binding on non-accepting classes notwithstanding rejection by one
21 or more classes is commonly referred to as "cramdown." The Bankruptcy Code allows a plan to
22 be "crammed down" on non-accepting classes of claims if it meets all requirements for
23 confirmation except the voting requirements of Section 1129(a)(8) of the Bankruptcy Code and if
24 the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each impaired
25 class that has not voted to accept the plan, as provided in Section 1129(b) of the Bankruptcy Code
26 and applicable case law.

1 **I. Request for Confirmation Despite Non-Acceptance by Impaired Class(es).**

2 The Committee will ask the Bankruptcy Court to confirm the Plan by cramdown on any impaired
3 Class if such Class does not vote to accept the Plan.

4 **J. Liquidation Analysis.** The Debtor believes that Section 1129(a)(7) is
5 inapplicable because the Debtor, a nonprofit corporation, cannot be forced into a Chapter 7
6 liquidation without its consent. 11 U.S.C. §1112(c);⁷ *Cult Awareness Network, Inc. v. Martino*
7 (In re *Cult Awareness Network, Inc.*), 151 F.3d 605, 609 (7th Cir. 1998). The Debtor has advised
8 the Court and the Committee that it does not and will not consent to the conversion of its case to a
9 Chapter 7 case.

10 With the termination of the Debtor's exclusivity periods, the Committee believes that the
11 Debtor's position is without merit and that the assets of the Debtor may be liquidated by way of a
12 creditor plan. Notwithstanding, in an abundance of caution, the Committee is prepared to proceed
13 with a motion to appoint a Chapter 11 Trustee so that such Trustee may proceed to voluntarily
14 liquidate the assets of the Estate for the benefit of Creditors.

15 Pursuant to Section 1129(a)(7) of the Bankruptcy Code, a plan cannot be confirmed unless
16 the bankruptcy court determines that distributions under the plan to all holders of claims who
17 have not accepted the plan, and whose claims are classified in classes that are impaired under the
18 plan, are no less than those which they would receive in a liquidation proceeding under Chapter 7.
19 This test must be satisfied even if a plan is accepted by each impaired class of claims. This test,
20 which is often referred to as the "best interests" test, requires the bankruptcy court to find either
21 that (i) all holders of claims in an impaired class of claims have accepted the plan, or (ii) the plan
22 will provide each holder of claims in an impaired class who has not accepted the plan with a
23 recovery of property of a value, as of the effective date of the plan, that is not less than the
24 amount that such holder would receive if the debtor were liquidated under Chapter 7 of the
25 Bankruptcy Code.

26
27 ⁷ Section 1112(c) provides:

28 The court may not convert a case under this chapter to a case under chapter 7 of this title if the
 debtor is a farmer or corporation that is not a moneyed, business, or commercial corporation,
 unless the debtor requests such conversion.

1 To satisfy the "best interest" test, the bankruptcy court must reach a conclusion regarding
2 the probable distribution to the holders in each impaired class of claims if the debtor were
3 liquidated in a Chapter 7 proceeding. The first step in this process is to determine the "liquidation
4 value" that would be generated from a forced sale of the debtor's assets by a Chapter 7 trustee.
5 The second step requires the application of the projected liquidation proceeds in accordance with
6 the various rights of creditors holding liens on the property. For example, if a claimant holds a
7 lien on corporate equipment but not inventory, the proceeds of the liquidation derived from this
8 asset would have to be applied against this claimant's debt. If the proceeds were sufficient to
9 retire the claimant's secured claim, then the claimant's claim would be paid in full. However, if
10 the liquidation proceeds are not sufficient, then that portion of the claim which is not satisfied
11 from the sale proceeds is treated as an unsecured claim and shares pro rata at this distribution
12 level. This process must then be repeated as to each collateral category to ensure that the claims
13 secured by collateral are paid from their collateral and only from their collateral.

14 Once all of the claims secured by liens on assets of a debtor's estate are deducted from the
15 projected liquidation proceeds of the sale of the claimant's collateral, then the costs and expenses
16 associated with the liquidation of the estate incurred by the Chapter 7 trustee must be paid. These
17 costs would include the compensation of the trustee, as well as compensation of counsel and other
18 professionals retained by the trustee, and asset disposition expenses.

19 After payment of the costs and expenses associated with the Chapter 7 liquidation are
20 paid, all unpaid administrative expenses incurred by the debtor in its Chapter 11 case (such as
21 compensation of attorneys, financial advisors, and restructuring consultants) that are allowed in
22 the Chapter 7 case, and all unpaid claims arising from the operations of the debtor during the
23 pendency of the Chapter 11 case, must be paid.

24 After the payment of Chapter 11 administrative expenses, the remaining liquidation
25 proceeds would be used to pay priority claims, such as tax and wage claims that are entitled to
26 priority under the Bankruptcy Code. Thereafter the remaining liquidation proceeds would be
27 made available to pay general unsecured claims.
28

Attached hereto as Exhibit "8" is a liquidation analysis prepared by the Committee that estimates the probable liquidation value of the Debtor, and applies the foregoing liquidation methodology to the estimated Claims against the Estate in a Chapter 7 liquidation in an effort to quantify what each Class of Creditors would receive in a Chapter 7 liquidation. Any liquidation analysis of this nature entails a significant degree of estimation and projection regarding both probable asset value and probable Allowed Claim totals. For example, in preparing Exhibit "8," the Committee has necessarily quantified what it believes will be the Allowed Claims within each Class. Although this quantification was based upon information in the Debtor's books and records, as the date of the preparation of the liquidation analysis, it was not possible to quantify exactly the amount of Allowed Claims in that there was a substantial amount of Disputed Claims and no judicial determinations had been made regarding the merits of the Disputed Claims. These and other factors may significantly increase or reduce the Allowed Claims total within each Class.

On the valuation side, the Committee has estimated the liquidation value of the Debtor's assets utilizing their best estimate of the value of the Debtor's assets assuming the assets are sold through a true asset sale, with each category of assets, and in some instances individual assets, being sold, or collected in the case of accounts receivable and cash, with the proceeds then aggregated for distribution.

Although there are inherent difficulties in quantifying with exactitude the potential recoveries that Creditors would receive in a Chapter 7 liquidation scenario, the Committee believes that the comprehensive liquidation analysis attached hereto as Exhibit "8" provides a fair estimate of the results that would occur in a Chapter 7 liquidation. As this analysis indicates, the Committee believes that the Holders of Secured Claims and General Unsecured Claims will be paid in full in a Chapter 7 liquidation.

K. Feasibility.

1. Projections of Future Cash Flow. Attached hereto as Exhibit "10" are financial projections ("Financial Projections") prepared by the Committee's Financial Advisor based upon information provided by the Debtor and the Debtor's Financial Advisor and Consultant. The Financial Projections set forth the Committee's estimate of the anticipated cash flow of the

1 Reorganized Debtor for a period of three years from the Effective Date. Projections of anticipated
2 cash flow are based, in part, upon the historical earnings of the Debtor and the Debtor's historical
3 expenses. Although the Committee has devoted considerable effort to the development of the
4 Financial Projections and believe that the Financial Projections represent fairly the projected
5 future cash flow of the Reorganized Debtor, care should be taken in analyzing the Financial
6 Projections as no guarantee exists that the Financial Projections can be met by the Reorganized
7 Debtor.

8 THE FINANCIAL PROJECTIONS SET FORTH IN THIS DISCLOSURE
9 STATEMENT REPRESENT AN ESTIMATE OF FUTURE PERFORMANCE BASED UPON
10 CERTAIN ASSUMPTIONS SET FORTH WITH SUCH FINANCIAL PROJECTIONS. THESE
11 FUTURE EVENTS MAY OR MAY NOT OCCUR, AND THE FINANCIAL PROJECTIONS
12 MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE
13 ACTUAL RESULTS WHICH WILL OCCUR. BECAUSE OF THE UNCERTAINTIES
14 INHERENT IN PREDICTIONS OF FUTURE EVENTS AND EVENTS OUTSIDE OF THE
15 CONTROL OF THE DEBTOR AND/OR THE COMMITTEE, THE REORGANIZED
16 DEBTOR'S ACTUAL CASH FLOW MAY WELL BE DIFFERENT FROM THAT
17 PREDICTED, AND SUCH DIFFERENCE MAY BE MATERIAL AND ADVERSE TO THE
18 INTERESTS OF CREDITORS.

19 **XV.**

20 **EFFECT OF CONFIRMATION OF PLAN**

21 Confirmation of the Committee's Plan will have, in part, the following effects.

22 **A. Discharge.** The Debtor's entitlement to a discharge, to the extent specified in 11
23 U.S.C. § 1141 is dependent upon whether Option A or Option B is elected by the Debtor. In the
24 event Option A is elected, this Plan provides that upon the Effective Date, Debtor shall be
25 discharged of liability for payment of debts incurred before confirmation of the Plan, to the extent
26 specified in 11 U.S.C. § 1141. However, any liability imposed by the Plan will not be discharged.
27 In the event Option B is elected, this Plan provides that the Debtor will be discharged only upon
28 consummation of this Plan and satisfaction of all Plan Obligations in full.

1 **B. Injunction.** Except as otherwise expressly provided in the Plan, or in the
2 Confirmation Order, on and after the Effective Date, all Claims will be discharged pursuant to the
3 terms of the Plan (including but not limited to states and other governmental units, and any state
4 official, employee, or other entity acting in an individual or official capacity on behalf of any
5 state or other governmental units) and will be permanently enjoined from the following: (i) taking
6 any of the following actions on account of any such discharged Claim or Interest: (a)
7 commencing or continuing in any manner any action or other proceeding against the Debtor, the
8 Reorganized Debtor, its successors, or its property; (b) enforcing, attaching, executing, collecting,
9 or recovering in any manner any judgment, award, decree, or order against the Debtor, the
10 Reorganized Debtor, its successors, or its property; (c) creating, perfecting, or enforcing any Lien
11 against the Debtor, the Reorganized Debtor, its successors, or its property; (d) asserting any set
12 off, right of subrogation, or recoupment of any kind against any obligation due to the Debtor, the
13 Reorganized Debtor, its successors, or its property; and (e) commencing or continuing any action,
14 in any manner, in any place that does not comply with or is inconsistent with the provisions of the
15 Plan; and (ii) taking any action on account of any claims or rights of action that are revested in, or
16 transferred to, the Reorganized Debtor as of the Effective Date or under the Plan (to the extent
17 that a Debtor's Estate first held such claim or right of action or held the right to assert such claim
18 or right of action after the Petition Date), including, without limitation, commencing or
19 continuing in any manner any Avoidance Action (i.e., no party may pursue any avoidance claims,
20 except for the Plan Agent, the Trustee or the Post Confirmation Committee, or as otherwise
21 provided by the Plan). Any person or entity injured by any willful violation of such injunction
22 will recover its actual damages, including costs and attorneys' fees, and, in appropriate
23 circumstances, may recover punitive damages from the willful violator.

24 **C. Tax Consequences of the Plan.**

25 The implementation of this Plan may have federal, state and local tax consequences to the
26 Debtor's Creditors. No tax opinion has been sought or will be obtained with respect to any
27 consequences of this Plan.
28

1 The discussion below summarizes only certain of the federal income tax consequences
2 associated with this Plan's implementation. This discussion does not attempt to comment on all
3 aspects of the federal income tax consequences associated with this Plan, nor does it attempt to
4 consider various facts or limitations applicable to any particular Creditor which may modify or
5 alter the consequences described herein. A Creditor may find that the tax consequences of the
6 Plan to such Creditor differ materially from the tax consequences discussed below because of
7 such Creditor's facts and circumstances. This discussion does not address state, local or foreign
8 tax consequences or the consequences of any federal tax other than the federal income tax.

9 This discussion is based upon the provisions of the Internal Revenue Code of 1986, as
10 amended (the "Internal Revenue Code"), the regulations promulgated thereunder, and existing
11 judicial decisions and administrative rulings. In light of the rapidly-changing nature of tax law,
12 no assurance can be given that legislative, judicial or administrative changes will not be
13 forthcoming that would affect the accuracy of the discussion below. Any such changes could be
14 material and could be retroactive with respect to the transactions entered into or completed prior
15 to the enactment or promulgation thereof. The tax consequences of certain aspects of the Plan are
16 uncertain due to the lack of applicable legal authority and may be subject to judicial or
17 administrative interpretations that differ from the discussion below.

18 CREDITORS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS
19 REGARDING THE TAX CONSEQUENCES TO THEM AND TO THE DEBTOR OF THE
20 TRANSACTIONS CONTEMPLATED BY THIS PLAN, INCLUDING FEDERAL, STATE,
21 LOCAL AND FOREIGN TAX CONSEQUENCES.

22 **D. Revesting of Property in the Debtor.**

23 The confirmation of the Plan does not revest any of the property of the Estate in the
24 Reorganized Debtor, except for any property abandoned to the Reorganized Debtor by the terms
25 of the Plan or the subsequent request of the Plan Agent or Trustee, and approval of the
26 Bankruptcy Court.

XVI.

LIMITATION OF LIABILITY AND RELEASES

A. **No Liability for Solicitation or Participation.** As specified in Section 1125(e) of the Bankruptcy Code, entities that solicit acceptances or rejections of the Plan or that participate in the offer, issuance, sale, or purchase of securities offered or sold under the Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, will not be liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or the offer, issuance, sale, or purchase of securities.

B. **Limitation of Liability.** Effective as of the Effective Date, neither the Committee, nor any of its respective members, officers, directors, employees and other agents, advisors and Professionals will have or incur any liability to any Creditor or to any other person for any act or omission in connection with or arising out of the negotiation, preparation and pursuit of confirmation of the Plan, the approval of this Disclosure Statement, the consummation of the Plan, the administration of the Plan, the Case or the property to be distributed under the Plan, to the fullest extent permitted by applicable statutory and case law.

XVII.

CONDITIONS TO CONFIRMATION AND EFFECTIVENESS

A. **Condition Precedent to Plan Effectiveness.** As a condition precedent to the effectiveness of the Plan and the occurrence of the Effective Date, the Confirmation Order must become a Final Order. The Committee reserves the right to object to the form of the Confirmation Order. In the event that an appeal, petition for certiorari or motion for reargument or rehearing or comparable post-confirmation relief is filed with respect to the Confirmation Order, and no stay of the effectiveness of the Confirmation Order is obtained, the Committee may elect, in the exercise of its sole and absolute discretion, to proceed with the Effective Date of the Plan and to commence to consummate the Plan, by filing and serving upon counsel for the Secured Creditors, counsel for the Debtor, the United States Trustee and the party seeking such post-confirmation relief, notice of such election.

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1 documents intended to implement the provisions of the Plan or any other matters to be resolved
2 by the Bankruptcy Court under the terms of the Plan;

3 G. To hear and determine any motions or contested matters involving Taxes, tax
4 refunds, tax attributes and tax benefits and similar and related matters with respect to the Debtor,
5 including, without limitation, matters involving federal, state and local Taxes in accordance with
6 Sections 346, 505 and 1146 of the Bankruptcy Code;

7 H. To hear and determine any and all applications, adversary proceedings and
8 contested matters pending on the Effective Date or that may be commenced after the Effective
9 Date as provided in the Plan;

10 I. To effectuate Distributions under, and performance of, the provisions of the Plan;

11 J. To hear and determine any motion to modify any provision of the Plan after
12 confirmation of the Plan, and, if in the best interests of the Debtor and Creditors, modification of
13 the Plan even after the Plan has been substantially consummated;

14 K. To correct any defect, cure any omission or reconcile any inconsistency in the
15 Plan, the exhibits to the Plan or this Disclosure Statement and any documents executed in
16 connection with the Plan, or any order of the Bankruptcy Court, including the Confirmation
17 Order, as may be necessary to carry out the purposes and intent of the Plan;

18 L. To determine such other matters as may be provided for in the Confirmation Order
19 or as may from time to time be authorized under the provisions of the Bankruptcy Code or any
20 other applicable law;

21 M. To enforce all orders, judgments, injunctions and exculpations issued or entered in
22 connection with the Case or the Plan;

23 N. To enter such orders as may be necessary or appropriate in aid of confirmation and
24 to facilitate implementation of the Plan, including, without limitation, any orders as may be
25 appropriate in the event that the Confirmation Order is for any reason stayed, revoked, modified
26 or vacated;

27 O. To determine any other matter not inconsistent with the Bankruptcy Code; and,

28 P. To issue a final decree closing the Case.

XIX.

MODIFICATION OF THE PLAN; CRAMDOWN

A. Modification of the Plan. At any time prior to the confirmation of the Plan, the Committee may supplement, amend or modify the Plan, provided that after the voting with respect to the Plan, the Committee will not make any modifications to the Plan which affect materially and adversely the interests of General Unsecured Creditors under the Plan. The Committee will provide to the Debtor notice of any such modification of the Plan, and an opportunity to be heard thereon. After confirmation of the Plan, the Committee, the Plan Agent or the Trustee may (i) apply to the Bankruptcy Court to modify the Plan, notwithstanding any substantial consummation of the Plan if in the best interests of the Debtor and Creditors; and (ii) apply to the Bankruptcy Court to remedy defects or omissions in the Plan or to reconcile inconsistencies in the Plan.

B. Nonconsensual Confirmation. In the event that any impaired Class of Claims should fail to accept the Plan in accordance with Section 1129(a)(8) of the Bankruptcy Code, the Committee (i) may request that the Bankruptcy Court confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code, and (ii) may modify the Plan in accordance with Section 1127(a) of the Bankruptcy Code and Section 15.1 of the Plan.

XX.

MISCELLANEOUS

A. Payment of Statutory Fees. All quarterly fees due and payable to the United States Trustee pursuant to 28 U.S.C. 1930(a)(6) will be paid in full on or before the Effective Date, or, to the extent such quarterly fees are disputed, an adequate reserve will be established and set aside for payment in full thereof, as required by Section 1129(a)(12) of the Bankruptcy Code. The Reorganized Debtor will remain responsible for the submission of quarterly reports to the U.S. Trustee in connection with the timely payment of its quarterly fees due and payable after the Effective Date, until the Reorganized Debtor's Case is closed, to the extent required by 28 U.S.C. 1930(a)(6), based upon the post-Confirmation operations of the Reorganization Debtor. The Plan Agent or Trustee will be responsible for the submission of quarterly reports to the U.S.

1 Trustee in connection with the timely payment of quarterly fees due and payable after the
2 Effective Date based upon disbursements made by the Plan Agent or Trustee to satisfy the Plan
3 Obligations.

4 **B. Payment Dates.** Whenever any Distribution to be made under the Plan becomes
5 due on a day other than a Business Day, such Distribution instead will be made, without interest,
6 on the immediately following Business Day.

7 **C. Other Documents and Actions.** The Plan Agent or the Trustee may execute such
8 other documents and take such other actions as may be necessary or appropriate to effectuate the
9 transactions contemplated under the Plan.

10 **D. Notices.** Except as expressly set forth herein to the contrary, all notices and
11 requests in connection with the Plan and this Disclosure Statement must be in writing and must be
12 hand delivered or sent by telefacsimile, with a copy sent by first-class mail, addressed to:

13 **TO THE DEBTOR:**

14 James Penner
15 Vice President
16 13280 Chapman Avenue
17 Garden Grove, CA 92840
18 Telephone: (714) 971-4000
19 Facsimile: (714) 971-4252

20 **WITH A COPY TO:**

21 Marc J. Winthrop, Esq.
22 Winthrop Couchot Professional Corporation
23 660 Newport Center Drive, Suite 400
24 Newport Beach, CA 92660
25 Telephone: (949) 720-4100
26 Facsimile: (949) 720-4111

27 **TO THE COMMITTEE:**

28 Nanette D. Sanders, Esq.
Ringstad & Sanders, LLP
2030 Main Street, Suite 1200
Newport Beach, CA 92614
Telephone: (949) 851-7450
Facsimile: (949) 851-6926

1 All notices to any Creditor will be sent to it at its last known address or to the last known
2 address of its attorney of record. Any such person may designate in writing any other address for
3 purposes of this paragraph, which designation will be effective on receipt thereof by the Debtor.

4 **E. Governing Law.** Unless a rule of law or procedure is supplied by federal law
5 (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of California
6 (without reference to its conflict of law rules) will govern the construction and implementation of
7 the Plan and any agreements, documents, and instruments executed in connection with the Plan,
8 unless otherwise specifically provided in such agreements, documents, or instruments.

9 **F. Binding Effect.** The Plan and all rights, duties and obligations thereunder will be
10 binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, Creditors, the
11 Committee and their respective successors and assigns.

12 **G. Successors and Assigns.** The rights, benefits, and obligations of any entity named
13 or referred to in the Plan will be binding on, and will inure to the benefit of, the heirs, executors,
14 administrators, successors, and assigns of such entity.

15 **H. No Waiver.** The failure of the Debtor or any other entity to object to any Claim
16 for purposes of voting will not be deemed to be a waiver of the Debtor's or other entities' right to
17 object to or examine such Claim, in whole or in part.

18 **I. Inconsistencies.** In the event that the terms or provisions of the Plan are
19 inconsistent with the terms and provisions of the exhibits to the Plan, any document executed in
20 connection with the Plan, the Disclosure Statement, or the exhibits to the Disclosure Statement,
21 the terms of the Plan will control.

22 **J. Exemption from Certain Transfer Taxes and Recording Fees.** Pursuant to
23 Section 1146(c) of the Bankruptcy Code, any transfers from the Debtor or the Plan Agent or
24 Trustee to the Reorganized Debtor or to any other person or entity pursuant to, or implemented
25 by, the Plan will not be subject to any document recording tax, stamp tax, conveyance fee,
26 intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording
27 tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental
28 assessment. The Confirmation Order will direct the appropriate state or local governmental

officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

K. Post-Confirmation Status Report. Within 180 days following the entry of the Confirmation Order, the Plan Agent or the Trustee will file with the Bankruptcy Court a status report explaining the progress made toward consummation of the Plan. The status report will be served on the United States Trustee, the Reorganized Debtor, the Post Confirmation Committee, and any parties who file a request for special notice of post-confirmation matters. Unless otherwise ordered by the Bankruptcy Court, further status reports will be filed every 180 days and served on the same entities.

L. Post-Confirmation Conversion/Dismissal. A Creditor or other party-in-interest may file a motion to convert or dismiss the Case under Section 1112(b), if there is a default by the Reorganized Debtor in performing the Plan. The Reorganized Debtor reserves the right to object to any such motion for conversion or dismissal.

M. Changes in Rates Subject to Regulatory Commission Approval. The Committee is informed and believes that the Debtor is not subject to governmental regulatory commission approval of its rates.

N. Final Decree. Once the Estate has been fully administered as referred to in Bankruptcy Rule 3022, the Plan Agent or Trustee, or the Reorganized Debtor or the Post Confirmation Committee may file a motion with the Court to obtain a final decree to close the Case.

XXI.

CONCLUSION

The materials provided in this Disclosure Statement are intended to assist Creditors in voting on the Plan. If the Plan is confirmed, Creditors will be bound by the terms of the Plan. Therefore, all Creditors are urged to review this material and to make such further inquiries as

1 they deem appropriate, and then cast an informed vote on the Plan.

2 Date: August 9, 2011

COMMITTEE OF CREDITORS HOLDING
UNSECURED CLAIMS IN THE MATTER OF IN
RE CRYSTAL CATHEDRAL MINISTRIES

3
4
5 By: /s/
Rick Pane, Chair

6 SUBMITTED BY:

7 RINGSTAD & SANDERS LLP

8
9 By: /s/ Nanette D. Sanders
Nanette D. Sanders
10 Counsel for the Committee of
11 Creditors Holding Unsecured Claims

Ringstad & Sanders
LLP

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Irvine, California 92614
949.851.7450

CRYSTAL CATHEDRAL MINISTRIES
Consolidated Financial Statement
UNAUDITED

December 31

	2010	2009	2008	2007	2006
Unrestricted support and revenue					
Ministry and media	21,237,275	26,843,615	36,572,318	44,323,614	48,459,772
Continue the Dream (Hospitality Center)	8,107			35,006	51,808
Church activities	2,923,715	2,899,635	3,903,724	4,683,164	5,465,793
Educational activities	2,615,636	3,323,388	3,918,722	4,128,263	3,841,028
Glories	167,841	2,121,942	2,877,144	3,691,006	3,824,228
Memorial Gardens Cemetery	483,071	355,104	378,849	359,312	257,694
Bookstore	466,026	816,390	1,112,865	1,415,053	1,571,040
Rancho Capistrano Renewal Center	550,256	3,180,508	3,312,330	3,389,314	2,985,134
Other activities	56,229	93,577	31,729	43,030	12,388
Interest	5,248	315	3,185	8,085	6,302
Sale of Properties	10,613,734	119,231			1,304,256
Other income	341,177	446,432	633,222	630,242	507,042
	39,468,315	40,000,137	52,744,088	62,706,089	68,066,485
Receipt of temporarily restricted funds	136,378	983,301	2,561,745	1,971,958	3,790,100
NET Unrestricted Revenues	39,604,693	40,983,438	55,305,833	64,678,047	71,856,585
Temporarily restricted (TR) support					
Release of restricted funds	4,101,255	1,035,585	1,651,415	1,302,698	1,263,519
NET Temporarily Restricted Revenues	(136,378)	(983,301)	(2,561,745)	(1,971,958)	(3,790,100)
	3,964,877	52,284	(910,330)	(669,260)	(2,526,581)
Permanently restricted (PR) support					
	108,432	292,893	186,501	276,369	256,107
Total Revenue	43,678,002	41,328,615	54,592,004	64,285,156	69,586,111
EXPENSES					
Ministry and media	15,238,465	20,015,325	28,216,893	30,125,824	31,354,583
Church activities	1,847,203	2,511,138	3,667,115	3,823,027	4,802,771
Educational activities	2,449,818	3,218,781	3,744,016	4,494,063	4,141,876
Glories	509,971	2,620,908	3,577,623	3,609,067	4,137,233
Creation					2,190,211
Memorial Gardens Cemetery	431,509	368,942	533,375	479,790	332,952
Bookstore	559,791	809,463	1,105,242	1,303,410	1,414,360
Rancho Capistrano Renewal Center	56,361	2,189,310	2,407,077	2,493,027	2,118,406
General and administrative	1,753,840	1,732,584	4,405,004	2,815,750	3,937,087
Fund raising	363,592	1,946,029	2,462,408	3,524,038	2,355,724
Facilities	3,293,603	5,192,189	6,817,515	7,066,167	8,370,378
Depreciation	3,777,825	4,492,923	4,767,454	5,000,273	4,984,610
Interest	2,680,953	4,314,914	4,224,443	5,532,433	5,496,683
Total Expenses	32,762,931	49,432,516	65,928,165	70,266,669	75,636,874
Net Income (Loss)	10,915,071	(8,103,901)	(11,346,161)	(5,981,513)	(6,050,763)
Net Assets - Ending Balance	38,747,805	27,832,734	35,936,635	47,282,798	53,284,309
Total Liabilities and Net Assets	89,677,069	102,400,014	107,307,868	115,969,374	122,474,254

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DRAFT - international affiliates not included / 2010 does not allocate costs

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December 31

CRYSTAL CATHEDRAL MINISTRIES

Income Statement Normalized	2010	2009	2008	2007	2006
Unrestricted support and revenue					
Ministry and media	21,237,275	26,643,615	36,572,318	44,323,614	48,459,772
Church activities	2,923,715	2,899,635	3,903,724	4,683,164	5,465,793
Educational activities	2,615,636	3,323,388	3,918,722	4,128,263	3,841,028
Memorial Gardens Cemetery	483,071	355,104	378,849	359,312	257,694
Bookstore	466,026	816,390	1,112,865	1,415,053	1,571,040
Other activities	56,229	93,577	31,729	43,030	12,388
Interest	5,248	315	3,185	8,085	6,302
Other income	341,177	565,663	633,222	630,242	1,811,298
Receipt of temporarily restricted funds	28,128,377	34,697,687	46,554,614	55,590,763	61,425,315
NET Unrestricted Revenues	136,378	983,301	2,561,745	1,971,958	3,790,100
Temporarily restricted (TR) support	4,101,255	1,035,585	1,651,415	1,302,698	1,263,519
Release of restricted funds	(136,378)	(983,301)	(2,561,745)	(1,971,959)	(3,790,100)
NET Temporarily Restricted Revenues	3,964,877	52,284	(910,330)	(669,260)	(2,526,581)
Permanently restricted (PR) support	108,432	292,893	186,501	276,369	255,107
Total Revenue	32,338,064	35,028,165	49,392,510	57,169,830	62,944,941
EXPENSES					
Ministry and media	15,238,465	20,015,325	28,216,893	30,125,624	31,354,583
Church activities	1,647,203	2,511,138	3,667,115	3,823,027	4,802,771
Educational activities	2,449,818	3,218,791	3,744,016	4,494,063	4,141,876
Creation					2,190,211
Memorial Gardens Cemetery	431,509	368,942	533,375	479,790	332,952
Bookstore	559,791	809,463	1,105,242	1,303,410	1,414,360
General and administrative	1,753,840	1,752,584	4,405,004	2,815,750	3,937,087
Fund raising	363,592	1,946,029	2,482,408	3,524,038	2,355,724
Facilities	3,293,603	5,192,189	6,817,515	7,066,167	8,370,378
Depreciation	3,777,825	4,492,923	4,767,454	5,000,273	4,984,610
Interest	2,680,953	4,314,914	4,224,443	5,532,433	5,496,683
Total Expenses	32,196,599	44,622,298	59,943,465	64,164,575	69,381,235
Net Income (Loss)	141,466	(8,596,133)	(11,550,935)	(6,994,745)	(6,436,294)

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CRYSTAL CATHEDRAL MINISTRIES
IX. PROFIT AND LOSS STATEMENT
(ACCRUAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

	October 18, 2010 - October 31, 2010	Revenue	%	November 2010	Revenue	%	December 2010	Revenue	%	January 2011	Revenue	%	February 2011	Revenue	%	March 2011
Sales/Revenue:																
Donation Income	590,392.65	80.9%	2,222,331.81	86.9%	3,276,152.22	92.4%	1,506,576.56	83.2%	1,374,407.88	54.3%	2,018,488.92	54.3%	2,018,488.92	54.3%	2,018,488.92	54.3%
Estate Gifts	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Tuition Income	88,545.90	12.1%	242,474.68	9.5%	193,302.06	5.5%	193,302.06	5.5%	193,302.06	5.5%	193,302.06	5.5%	193,302.06	5.5%	193,302.06	5.5%
Events/Activities	30,394.46	4.2%	56,693.27	2.2%	13,522.90	0.4%	47,483.29	2.6%	43,368.93	1.7%	55,032.02	1.7%	55,032.02	1.7%	55,032.02	1.7%
Bookstore	18,220.73	2.5%	29,729.13	1.2%	51,351.09	1.4%	23,901.86	1.3%	22,743.17	0.9%	30,339.82	0.9%	30,339.82	0.9%	30,339.82	0.9%
Cemetery	2,411.00	0.3%	4,971.00	0.2%	10,701.00	0.3%	2,085.00	0.1%	350.00	0.0%	5,435.00	0.0%	5,435.00	0.0%	5,435.00	0.0%
Refund - Insurance	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Gross Operating Revenue	729,964.74	100.0%	2,556,199.89	100.0%	3,545,029.27	100.0%	1,810,734.42	100.0%	2,530,532.10	100.0%	2,486,619.02	100.0%	2,486,619.02	100.0%	2,486,619.02	100.0%
Operating Expenses:																
Payroll - Insiders	53,949.19	7.4%	99,489.88	3.9%	77,429.43	2.2%	54,892.65	3.0%	48,590.94	1.9%	58,295.64	1.9%	58,295.64	1.9%	58,295.64	1.9%
Accrued Fees - Insiders	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Payroll - Other Employees	300,199.55	41.1%	552,484.28	21.6%	565,819.52	16.0%	615,239.29	34.0%	550,123.86	21.7%	669,510.36	21.7%	669,510.36	21.7%	669,510.36	21.7%
Payroll Taxes	20,938.31	2.9%	41,338.99	1.6%	48,597.40	1.4%	41,706.99	2.3%	40,897.19	1.6%	55,040.29	1.6%	55,040.29	1.6%	55,040.29	1.6%
Sales Taxes	212.13	0.0%	683.33	0.0%	598.05	0.0%	396.09	0.0%	845.62	0.0%	597.31	0.0%	597.31	0.0%	597.31	0.0%
Property Taxes	-	0.0%	-	0.0%	29,216.49	0.8%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Depreciation and Amortization	155,918.38	21.4%	345,248.28	13.5%	192,827.64	5.4%	311,560.27	17.2%	311,560.27	12.3%	311,560.27	12.3%	311,560.27	12.3%	311,560.27	12.3%
Rent Expense - Facilities	15,565.54	2.1%	36,295.53	1.4%	32,679.55	0.9%	31,304.01	1.7%	32,937.99	1.3%	32,937.99	1.3%	32,937.99	1.3%	32,937.99	1.3%
Lease Expense - Equipment	5,618.93	0.8%	18,000.52	0.7%	22,636.23	0.6%	10,789.45	0.6%	18,057.34	0.7%	18,127.83	0.7%	18,127.83	0.7%	18,127.83	0.7%
Insurance	21,317.78	2.9%	18,047.36	0.7%	34,844.25	0.9%	31,410.69	1.7%	72,144.42	2.9%	31,855.07	1.3%	31,855.07	1.3%	31,855.07	1.3%
Benefit Health Insurance	31,232.51	4.3%	56,372.00	2.2%	65,565.09	1.8%	60,400.77	3.3%	60,287.40	2.4%	48,086.29	1.9%	48,086.29	1.9%	48,086.29	1.9%
Telephone and Utilities	38,138.17	5.2%	21,044.67	0.8%	48,073.76	1.4%	72,208.47	4.0%	62,555.70	2.5%	71,133.70	2.9%	71,133.70	2.9%	71,133.70	2.9%
Repairs and Maintenance	17,987.10	2.5%	56,386.30	2.2%	93,776.33	2.6%	108,526.71	6.0%	38,821.73	1.5%	101,355.72	4.1%	101,355.72	4.1%	101,355.72	4.1%
Advertising	-	0.0%	-	0.0%	12,903.53	0.4%	-	0.0%	27.19	0.0%	-	0.0%	-	0.0%	-	0.0%
Airline	254,851.58	34.9%	454,631.55	17.8%	420,393.00	11.9%	580,454.70	32.1%	468,168.80	18.5%	439,821.80	17.7%	439,821.80	17.7%	439,821.80	17.7%
Billed to Foreign Affiliates	(7,020.52)	-1.0%	(17,971.43)	-0.7%	(11,119.32)	-0.3%	(936.59)	-0.1%	(23,362.70)	-0.9%	(12,234.91)	-0.5%	(12,234.91)	-0.5%	(12,234.91)	-0.5%
Bookstore	12,932.96	1.8%	22,860.72	0.9%	31,091.50	0.9%	28,270.96	1.6%	13,994.36	0.6%	19,183.29	0.8%	19,183.29	0.8%	19,183.29	0.8%
Donations/Scholarships	2,972.18	0.4%	5,948.29	0.2%	4,953.70	0.1%	5,465.70	0.3%	3,178.70	0.1%	5,692.70	0.2%	5,692.70	0.2%	5,692.70	0.2%
Education	-	0.0%	-	0.0%	-	0.0%	950.00	0.1%	90.00	0.0%	1,500.00	0.1%	1,500.00	0.1%	1,500.00	0.1%
Events/Activities	3,572.50	0.5%	7,614.36	0.3%	12,227.12	0.3%	6,480.98	0.4%	6,626.34	0.3%	20,087.35	0.8%	20,087.35	0.8%	20,087.35	0.8%
Fees and Dues	7,563.30	1.0%	24,311.26	1.0%	46,253.75	1.3%	24,726.74	1.4%	28,378.97	1.1%	22,980.28	0.9%	22,980.28	0.9%	22,980.28	0.9%
Honorariums	8,394.00	1.1%	12,599.73	0.5%	25,339.67	0.7%	3,029.07	0.2%	4,028.42	0.2%	7,875.12	0.3%	7,875.12	0.3%	7,875.12	0.3%
Independent Contractors (incl. Sub. Teachers)	9,933.50	1.4%	10,635.44	0.4%	31,388.65	0.9%	8,117.92	0.4%	5,550.44	0.2%	6,693.56	0.3%	6,693.56	0.3%	6,693.56	0.3%
Offers	-	0.0%	-	0.0%	32,389.99	0.9%	42,657.33	2.4%	8,250.00	0.3%	57,572.43	2.3%	57,572.43	2.3%	57,572.43	2.3%
Postage	17,926.58	2.5%	41,980.68	1.6%	97,209.62	2.7%	43,461.11	2.4%	56,063.54	2.2%	64,889.99	2.6%	64,889.99	2.6%	64,889.99	2.6%
Printing	24,267.13	3.3%	60,118.95	2.4%	18,280.24	0.5%	47,059.57	2.6%	32,761.87	1.3%	68,345.32	2.7%	68,345.32	2.7%	68,345.32	2.7%
Professional Fees - Operations	17,827.04	2.4%	99,602.11	3.9%	199,793.96	5.6%	60,114.33	3.3%	53,315.05	2.1%	76,666.55	3.1%	76,666.55	3.1%	76,666.55	3.1%
Supplies	7,933.77	1.1%	32,344.91	1.3%	47,266.01	1.3%	30,231.71	1.7%	12,300.63	0.5%	38,223.68	1.5%	38,223.68	1.5%	38,223.68	1.5%
Travel	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1,631.98	0.1%	(17.75)	0.0%	(17.75)	0.0%	(17.75)	0.0%
Miscellaneous Operating Expenses (Itemize)	113.59	0.0%	(4,217.01)	-0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Operating Expenses	1,022,345.40	140.1%	1,995,850.70	78.1%	2,180,235.16	61.5%	2,233,720.78	123.4%	1,925,461.98	76.1%	2,247,887.67	90.8%	2,247,887.67	90.8%	2,247,887.67	90.8%
Net Gain/(Loss) from Operations	(292,380.66)	-40.1%	560,349.19	21.9%	1,364,794.11	38.5%	(422,986.36)	-23.4%	605,070.12	23.9%	238,731.35	9.6%	238,731.35	9.6%	238,731.35	9.6%

IX. PROFIT AND LOSS STATEMENT
(ACCRUAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

	October 18, 2010 - October 31, 2010	% Revenue	November 2010	% Revenue	December 2010	% Revenue	January 2011	% Revenue	February 2011	% Revenue	March 2011
Non-Operating Income:											
Interest Income	287.44	0.0%	(5,911.07)	-0.2%	(1,656.51)	0.0%	2,880.63	0.2%	2,561.13	0.1%	1,973.91
Investment Income (Note 2)	6,295.00	0.9%	(41.56)	0.0%	12,041.31	0.3%	4,177.12	0.2%	(522,122.70)	-20.6%	(1,127.25)
Royalty Income	-	0.0%	-	0.0%	-	0.0%	38,305.15	2.1%	-	0.0%	-
Rent Income (Parking lot)	10,161.29	1.4%	45,000.00	1.8%	-	0.0%	22,500.00	1.2%	22,500.00	0.9%	22,500.00
Total Non-Operating Income	16,743.73	2.3%	39,047.37	1.5%	10,384.80	0.3%	67,862.90	3.7%	(497,061.57)	-19.6%	23,346.66
Non-Operating Expenses:											
Interest Expense	85,269.43	11.7%	186,490.56	7.3%	194,244.33	5.5%	181,408.96	10.0%	185,538.35	7.3%	169,597.77
Professional Fees - DIP (See Note 1)	-	0.0%	-	0.0%	-	0.0%	79,845.96	4.4%	89,207.87	3.5%	86,750.50
U.S. Trustee Fees	-	0.0%	-	0.0%	-	0.0%	10,400.00	0.6%	-	0.0%	2,603.70
Total Non-Operating Expenses	85,269.43	11.7%	186,490.56	7.3%	194,244.33	5.5%	271,654.92	15.0%	274,746.22	10.9%	258,951.97
NET INCOME/(LOSS) BEFORE RESTRICTED ACTIVITY	(360,906.36)	-49.4%	412,906.00	16.2%	1,180,934.58	33.3%	(626,778.38)	-34.6%	(166,737.67)	-6.6%	3,126.04
DONATION INCOME/RESTRICTED	-	0.0%	-	0.0%	4,000,000.00	112.8%	3,761.00	0.2%	2,996.45	0.1%	18,225.26
NET INCOME/(LOSS) AFTER RESTRICTED ACTIVITY	(360,906.36)	-49.4%	412,906.00	16.2%	5,180,934.58	146.1%	(623,017.38)	-34.4%	(163,741.22)	-6.5%	21,351.30

(1) Cumulative post petition Professional Fees - DIP increased by \$128,405.79 to account for post petition invoices applied against pre-petition retainer held by Debtor's legal counsel and \$35,792.21 reclassified from Professional Fees - Operations to Professional Fees - DIP.

(2) Investment income is inclusive of the loss on the cancellation of the Reasfanyder annuity contract effective 2/1/11 of \$528,877.50. This is a one-time item.

CRYSTAL CATHEDRAL MINISTRIES
IX. PROFIT AND LOSS STATEMENT
(ACCRUAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

	October 18, 2010 - October 31, 2010	% Revenue	November 2010	% Revenue	December 2010	% Revenue	January 2011	% Revenue	February 2011	% Revenue	March 2011	% Revenue	April 2011	% Revenue	May 2011	% Revenue	June 2011	% Revenue	Cumulative Post- Petition	% Revenue
Sales/Revenue:																				
Donation Income	590,392.65	80.9%	2,222,331.81	86.9%	1,660,817.88	81.2%	1,466,454.07	80.8%	1,466,454.07	77.8%	1,359,636.45	71.5%	15,475,258.44	79.4%	1,445,209.00	7.4%	1,748,108.97	9.0%	15,475,258.44	79.4%
Estate Gifts	-	0.0%	-	0.0%	118,236.46	5.3%	104,321.25	5.8%	104,321.25	5.5%	168,775.29	8.9%	1,445,209.00	7.4%	1,748,108.97	9.0%	437,402.06	2.2%	1,445,209.00	7.4%
Tuition Income	88,545.90	12.1%	242,474.68	9.5%	203,929.24	9.9%	227,786.67	12.1%	227,786.67	12.1%	183,066.34	9.6%	1,748,108.97	9.0%	1,748,108.97	9.0%	437,402.06	2.2%	1,748,108.97	9.0%
Events/Activities	30,394.46	4.2%	56,693.27	2.2%	41,109.92	2.0%	44,959.84	2.4%	44,959.84	2.4%	104,837.43	5.5%	437,402.06	2.2%	437,402.06	2.2%	248,210.19	1.3%	437,402.06	2.2%
Bookstore	18,220.73	2.5%	29,729.13	1.2%	27,872.43	1.4%	19,769.33	1.0%	19,769.33	1.0%	24,282.63	1.3%	248,210.19	1.3%	248,210.19	1.3%	60,388.00	0.3%	248,210.19	1.3%
Cemetery	2,411.00	0.3%	4,971.00	0.2%	3,265.00	0.2%	21,995.00	1.2%	21,995.00	1.2%	9,175.00	0.5%	60,388.00	0.3%	60,388.00	0.3%	87,030.54	0.4%	60,388.00	0.3%
Refund - Insurance	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	52,237.53	2.7%	87,030.54	0.4%	-	-	-	-	87,030.54	0.4%
Gross Operating Revenue	729,964.74	100.0%	2,556,199.89	100.0%	2,055,230.93	100.0%	1,885,286.16	100.0%	1,885,286.16	100.0%	1,902,010.67	100.0%	19,501,607.20	100.0%	19,501,607.20	100.0%	1,902,010.67	100.0%	19,501,607.20	100.0%
Operating Expenses:																				
Payroll - Insiders	53,949.19	7.4%	99,489.88	3.9%	46,578.15	2.3%	55,812.77	3.0%	55,812.77	3.0%	53,439.85	2.8%	548,478.30	2.8%	124,359.30	0.6%	5,038,231.88	25.8%	548,478.30	2.8%
Accrued Fees - Insiders	-	0.0%	-	0.0%	34,871.86	1.7%	14,871.86	0.8%	14,871.86	0.8%	10,000.00	0.5%	124,359.30	0.6%	124,359.30	0.6%	5,038,231.88	25.8%	124,359.30	0.6%
Payroll - Other Employees	300,199.55	41.1%	552,484.28	21.6%	588,492.89	28.6%	574,824.30	30.5%	574,824.30	30.5%	621,537.83	32.7%	5,038,231.88	25.8%	5,038,231.88	25.8%	621,537.83	32.7%	5,038,231.88	25.8%
Payroll Taxes	20,938.31	2.9%	41,338.99	1.6%	41,248.03	2.0%	39,105.10	2.1%	39,105.10	2.1%	47,873.71	2.5%	376,746.01	1.9%	376,746.01	1.9%	47,873.71	2.5%	376,746.01	1.9%
Sales Taxes	212.13	0.0%	683.33	0.0%	369.07	0.0%	216.11	0.0%	216.11	0.0%	255.77	0.0%	4,173.48	0.0%	4,173.48	0.0%	255.77	0.0%	4,173.48	0.0%
Property Taxes	-	0.0%	-	0.0%	28,922.54	1.4%	-	0.0%	-	0.0%	-	0.0%	58,139.03	0.3%	58,139.03	0.3%	-	0.0%	58,139.03	0.3%
Depreciation and Amortization	155,918.58	21.4%	345,248.28	13.5%	297,141.56	14.5%	297,141.56	15.8%	297,141.56	15.8%	297,141.56	15.6%	2,520,099.99	12.9%	2,520,099.99	12.9%	297,141.56	15.6%	2,520,099.99	12.9%
Rent Expense - Facilities	15,565.54	2.1%	36,295.53	1.4%	32,937.99	1.6%	34,437.99	1.8%	34,437.99	1.8%	19,843.77	1.0%	268,940.36	1.4%	268,940.36	1.4%	19,843.77	1.0%	268,940.36	1.4%
Lease Expense - Equipment	5,618.93	0.8%	18,000.32	0.7%	23,722.55	1.2%	12,278.49	0.7%	12,278.49	0.7%	23,722.55	1.2%	152,953.89	0.8%	152,953.89	0.8%	23,722.55	1.2%	152,953.89	0.8%
Insurance	21,317.78	2.9%	18,047.36	0.7%	13,342.48	0.6%	3,475.00	0.2%	3,475.00	0.2%	30,379.47	1.6%	277,717.52	1.4%	277,717.52	1.4%	30,379.47	1.6%	277,717.52	1.4%
Benefits Health Insurance	31,232.51	4.3%	50,372.00	2.2%	49,990.23	2.4%	60,991.99	3.2%	60,991.99	3.2%	48,536.09	2.6%	481,262.37	2.5%	481,262.37	2.5%	48,536.09	2.6%	481,262.37	2.5%
Telephone and Utilities	38,138.17	5.2%	21,044.67	0.8%	64,808.37	3.2%	84,593.68	4.5%	84,593.68	4.5%	70,665.97	3.7%	553,222.49	2.7%	553,222.49	2.7%	70,665.97	3.7%	553,222.49	2.7%
Repairs and Maintenance	17,987.10	2.5%	56,386.30	2.2%	53,984.40	2.6%	65,772.34	3.5%	65,772.34	3.5%	101,301.80	5.3%	637,912.43	3.3%	637,912.43	3.3%	101,301.80	5.3%	637,912.43	3.3%
Advertising	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	12,930.72	0.1%	12,930.72	0.1%	-	0.0%	12,930.72	0.1%
Airline	254,851.58	34.9%	454,631.55	17.8%	476,200.10	23.2%	567,234.00	30.1%	567,234.00	30.1%	453,670.00	23.9%	4,115,425.53	21.1%	4,115,425.53	21.1%	453,670.00	23.9%	4,115,425.53	21.1%
Billed to Foreign Affiliates	(7,020.52)	-1.0%	(17,971.43)	-0.7%	(11,741.66)	-0.6%	(9,572.01)	-0.5%	(9,572.01)	-0.5%	(11,203.60)	-0.6%	(105,162.74)	-0.5%	(105,162.74)	-0.5%	(11,203.60)	-0.6%	(105,162.74)	-0.5%
Bookstore	12,932.96	1.8%	22,860.72	0.9%	16,429.07	0.8%	15,007.66	0.8%	15,007.66	0.8%	14,471.18	0.8%	174,241.70	0.9%	174,241.70	0.9%	14,471.18	0.8%	174,241.70	0.9%
Donations/Scholarships	2,972.18	0.4%	5,948.29	0.2%	5,362.70	0.3%	3,769.70	0.2%	3,769.70	0.2%	3,318.70	0.2%	40,662.37	0.2%	40,662.37	0.2%	3,318.70	0.2%	40,662.37	0.2%
Education	-	0.0%	-	0.0%	19.95	0.0%	-	0.0%	-	0.0%	-	0.0%	2,559.95	0.0%	2,559.95	0.0%	-	0.0%	2,559.95	0.0%
Events/Activities	3,372.50	0.5%	7,614.36	0.3%	4,404.97	0.2%	11,263.34	0.6%	11,263.34	0.6%	5,815.81	0.3%	78,092.77	0.4%	78,092.77	0.4%	5,815.81	0.3%	78,092.77	0.4%
Fees and Dues	7,563.50	1.0%	24,311.26	1.0%	21,555.48	1.0%	19,583.54	1.0%	19,583.54	1.0%	19,906.99	1.0%	215,260.31	1.1%	215,260.31	1.1%	19,906.99	1.0%	215,260.31	1.1%
Honorariums	8,394.00	1.1%	12,599.73	0.5%	20,652.67	1.0%	8,270.53	0.4%	8,270.53	0.4%	11,525.95	0.6%	101,515.16	0.5%	101,515.16	0.5%	11,525.95	0.6%	101,515.16	0.5%
Independent Contractors (incl. Sub. Teachers)	9,933.50	1.4%	10,635.44	0.4%	9,128.67	0.4%	8,753.48	0.5%	8,753.48	0.5%	6,337.96	0.3%	96,541.62	0.5%	96,541.62	0.5%	6,337.96	0.3%	96,541.62	0.5%
Offers	-	0.0%	-	0.0%	11,569.96	0.6%	(5,865.87)	-0.3%	(5,865.87)	-0.3%	49,613.39	2.6%	196,187.23	1.0%	196,187.23	1.0%	49,613.39	2.6%	196,187.23	1.0%
Postage	17,926.38	2.5%	41,980.68	1.6%	68,190.71	3.3%	48,756.20	2.6%	48,756.20	2.6%	53,315.78	2.8%	491,794.21	2.5%	491,794.21	2.5%	53,315.78	2.8%	491,794.21	2.5%
Printing	24,267.13	3.3%	60,118.95	2.4%	75,862.78	3.7%	45,276.43	2.4%	45,276.43	2.4%	55,651.55	2.9%	427,623.84	2.2%	427,623.84	2.2%	55,651.55	2.9%	427,623.84	2.2%
Professional Fees - Operations	17,827.04	2.4%	99,602.11	3.9%	102,533.07	5.0%	107,130.25	5.7%	107,130.25	5.7%	125,208.43	6.6%	842,190.79	4.3%	842,190.79	4.3%	125,208.43	6.6%	842,190.79	4.3%
Supplies	7,933.77	1.1%	32,344.91	1.3%	34,496.50	1.7%	54,487.78	2.9%	54,487.78	2.9%	17,397.59	0.9%	274,882.58	1.4%	274,882.58	1.4%	17,397.59	0.9%	274,882.58	1.4%
Travel	-	0.0%	-	0.0%	637.73	0.0%	859.74	0.0%	859.74	0.0%	-	0.0%	3,111.70	0.0%	3,111.70	0.0%	-	0.0%	3,111.70	0.0%
Miscellaneous Operating Expenses (Itemize)	113.59	0.0%	(4,217.01)	-0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	(4,103.42)	0.0%	-	-	-	0.0%	(4,103.42)	0.0%
Total Operating Expenses	1,022,345.40	140.1%	1,995,850.70	78.1%	2,132,613.82	103.8%	2,118,477.96	112.4%	2,118,477.96	112.4%	2,129,728.10	112.0%	17,985,991.57	92.2%	17,985,991.57	92.2%	2,129,728.10	112.0%	17,985,991.57	92.2%
Net Gain/(Loss) from Operations	(292,380.66)	-40.1%	560,349.19	21.9%	(77,382.89)	-3.8%	(233,191.80)	-12.4%	(233,191.80)	-12.4%	(227,717.43)	-12.0%	1,515,615.63	7.8%	1,515,615.63	7.8%	(227,717.43)	-12.0%	1,515,615.63	7.8%

Exhibit 2
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IX. PROFIT AND LOSS STATEMENT
(ACCURAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

	October 18, 2010 - October 31, 2010	% Revenue	November 2010	% Revenue	April 2011	% Revenue	May 2011	% Revenue	June 2011	% Revenue	Cumulative Post- Petition	% Revenue
Non-Operating Income:												
Interest Income	287.44	0.0%	(5,911.07)	-0.2%	0.1%	357.10	0.0%	(5,618.42)	-0.3%	(1,651.99)	(6,777.78)	0.0%
Investment Income (Note 2)	6,295.00	0.9%	(41.56)	0.0%	0.0%	(1,290.95)	-0.1%	(1,542.90)	-0.1%	(1,921.56)	(505,533.49)	-2.6%
Royalty Income	-	0.0%	-	0.0%	0.0%	-	0.0%	-	0.0%	21,656.06	59,961.21	0.3%
Rent Income (Parking lot)	10,161.29	1.4%	45,000.00	1.8%	0.9%	22,500.00	1.1%	22,500.00	1.2%	22,500.00	190,161.29	1.0%
Total Non-Operating Income	16,743.73	2.3%	39,047.37	1.5%	0.9%	21,566.15	1.0%	15,338.68	0.8%	40,582.51	(262,188.77)	-1.3%
Non-Operating Expenses:												
Interest Expense	85,269.43	11.7%	186,490.56	7.3%	6.8%	184,151.04	9.0%	179,358.83	9.5%	186,683.26	1,552,742.53	8.0%
Professional Fees - DIP (See Note 1)	-	0.0%	-	0.0%	3.5%	127,421.18	6.2%	141,851.45	7.5%	328,824.67	853,901.63	4.4%
U.S. Trustee Fees	-	0.0%	-	0.0%	0.1%	12,996.30	0.6%	-	0.0%	-	26,000.00	0.1%
Total Non-Operating Expenses	85,269.43	11.7%	186,490.56	7.3%	10.4%	324,568.52	15.8%	321,210.28	17.0%	515,507.93	2,432,644.16	12.5%
NET INCOME/(LOSS) BEFORE RESTRICTED ACTIVITY	(360,906.36)	-49.4%	412,906.00	16.2%	0.1%	(380,383.26)	-18.5%	(539,063.40)	-28.6%	(702,642.85)	(1,179,217.30)	-6.0%
DONATION INCOME/RESTRICTED	-	0.0%	-	0.0%	0.7%	2,746.87	0.1%	12,369.10	0.7%	2,765.19	4,042,863.87	20.7%
NET INCOME/(LOSS) AFTER RESTRICTED ACTIVITY	(360,906.36)	-49.4%	412,906.00	16.2%	0.9%	(377,636.39)	-18.4%	(526,694.30)	-27.9%	(699,877.66)	2,863,646.57	14.7%

(1) Cumulative post petition Professional Fees - DIP increased by \$128,405.79 to account for post petition invoices applied against pre-petition retainer held by Debtor's legal counsel and \$35,792.21 reclassified from Professional Fees - Operations to Professional Fees - DIP.

(2) Investment income is inclusive of the loss on the cancellation of the Reasfnyder annuity contract effective 2/1/11 of \$528,877.50. This is a one-time item.

CRYSTAL CATHEDRAL MINISTRIES
X. BALANCE SHEET
(ACCRUAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

ASSETS

	June 30, 2011	May 31, 2011	April 30, 2011	March 31, 2011	February 28, 2011	January 31, 2011	December 31, 2010	November 30, 2010	October 31, 2010
Current Assets:									
Unrestricted Cash	3,675,289.93	4,301,798.17	4,247,349.93	4,425,449.82	4,263,436.04	3,429,094.32	3,072,248.35	1,751,134.79	761,787.14
Restricted Cash/Investments (1)	6,142,110.92	6,142,149.60	6,151,094.21	6,150,933.30	6,137,060.61	6,126,956.41	5,917,894.38	2,101,617.05	2,109,525.66
Accounts Receivable (net)	27,147.98	42,810.65	38,305.49	22,215.27	21,007.07	34,471.97	61,567.01	75,646.20	84,039.56
Pledges Receivable (net)	1,113,519.58	1,063,540.58	1,147,405.21	144,539.54	887,971.60	1,071,260.97	1,477,983.07	1,496,922.44	1,594,971.20
Due from International Affiliates (net)	249,479.55	241,416.73	226,058.84	247,611.02	190,526.61	169,463.04	177,331.17	207,195.85	158,603.61
Prepaid & Other Assets	1,080,791.25	973,362.50	1,069,017.00	791,341.80	719,214.53	1,676,931.13	1,823,816.18	1,423,552.02	1,477,982.99
Burial Spaces (Unsold Inventory)	3,829,036.35	3,829,036.35	3,829,036.35	3,829,036.35	3,829,036.35	3,829,036.35	3,828,923.24	3,828,923.24	3,828,923.24
Inventories	665,536.90	669,284.96	671,389.87	676,716.04	670,688.82	683,643.90	707,285.90	788,008.88	812,744.65
Total Current Assets	16,782,912.46	17,263,399.54	17,379,656.90	16,287,843.14	16,718,941.63	17,020,858.09	17,067,049.30	11,673,000.47	10,828,578.05
Land	17,374,652.17	17,374,652.17	17,374,652.17	17,374,652.17	17,374,652.17	17,374,652.17	17,374,652.17	17,431,503.78	17,431,503.78
Property, Plant, and Equipment	123,670,821.29	123,670,821.29	123,670,821.29	123,670,821.29	123,670,821.29	123,670,821.29	123,670,821.29	123,613,969.68	123,613,969.68
Accumulated Depreciation/Depletion	(70,215,106.84)	(69,917,965.28)	(69,620,823.72)	(69,366,938.29)	(69,055,378.02)	(68,743,817.75)	(68,522,022.48)	(68,452,163.97)	(68,106,915.69)
Net Property, Plant, and Equipment	70,830,366.62	71,127,508.18	71,424,649.74	71,678,535.17	71,990,095.44	72,301,655.71	72,523,450.98	72,593,309.49	72,938,557.77

Other Assets (Net of Amortization):

Other (Itemize)	-	-	-	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	87,613,279.08	88,390,907.72	88,804,306.64	87,966,378.31	88,709,037.07	89,322,513.80	89,590,500.28	84,266,309.96	83,767,135.82

X. BALANCE SHEET
(ACCRUAL BASIS ONLY)
Amounts are per the Monthly Operating Reports

LIABILITIES

Post-petition Liabilities:

	June 30, 2011	May 31, 2011	April 30, 2011	March 31, 2011	February 28, 2011	January 31, 2011	December 31, 2010	November 30, 2010	October 31, 2010
Accounts Payable	1,258,050.08	1,343,375.39	1,161,831.06	1,004,406.30	805,387.75	767,509.78	596,347.25	553,601.57	243,953.72
Accruals and Other Payables	305,997.33	245,605.39	146,960.72	155,246.45	238,708.40	242,780.61	243,955.10	60,846.20	66,312.49
Agencies	176,141.07	159,333.77	124,854.56	128,600.46	105,330.18	86,112.42	54,356.01	12,299.84	-
Deferred revenue	93,733.48	134,690.92	146,639.35	200,198.03	226,527.34	225,083.82	200,669.47	43,935.18	1,550.00
Other (Itemize)									
Total Post-petition Liabilities	1,833,921.96	1,883,005.47	1,580,285.69	1,488,451.24	1,375,953.67	1,321,488.63	1,095,327.83	670,682.79	311,816.21

Pre-petition Liabilities:

Accounts Payable	6,533,777.31	6,534,364.96	6,618,236.89	6,578,448.16	6,683,404.07	6,708,285.89	6,658,758.64	6,570,969.26	6,682,818.37
Accruals and Other Payables	386,776.59	386,880.92	405,631.98	405,631.98	1,367,111.25	1,361,085.20	1,369,061.25	1,791,445.55	1,791,445.55
Agencies	183,484.28	208,186.91	248,258.23	248,258.23	264,570.64	282,863.33	292,752.57	339,408.79	364,334.75
Annuities	40,137.50	40,137.50	40,137.50	40,137.50	43,075.67	463,198.17	463,198.17	463,198.17	463,198.17
Deferred Revenue	201,496.77	201,496.77	201,496.77	201,496.77	207,361.40	207,361.40	207,361.40	414,699.68	544,130.36
Notes Payable Secured	36,824,189.00	36,830,886.84	36,837,540.20	36,844,149.40	36,850,714.72	36,857,236.45	36,870,150.31	36,870,150.31	34,976,637.44
Notes Payable Unsecured	3,461,358.42	3,461,358.42	3,469,558.42	3,469,558.42	3,469,558.42	3,469,558.42	3,469,558.42	3,469,558.42	5,369,463.98
Priority Liabilities	498,911.47	495,486.49	511,404.69	511,404.69	510,536.41	541,708.08	497,925.19	191,295.67	191,295.67
Total Pre-petition Liabilities	48,130,131.34	48,158,798.81	48,332,264.68	48,299,085.15	49,396,332.58	49,891,296.94	49,829,336.55	50,110,725.85	50,383,324.29
TOTAL LIABILITIES	49,964,053.30	50,041,804.28	49,912,550.37	49,787,536.39	50,772,286.25	51,212,785.57	50,924,664.38	50,781,408.64	50,695,140.50

NET ASSETS

Net Assets - Pre Petition (2)	33,561,307.47	33,561,307.47	33,561,307.47	33,561,307.47	33,561,307.47	33,561,307.47	33,432,901.68	33,432,901.68	33,432,901.68
Accumulated Change in Net Assets	2,734,910.78	3,434,788.44	3,961,482.74	4,339,121.13	4,317,769.83	4,481,511.05	5,232,934.22	51,999.64	(360,906.36)
Direct Changes to net Assets	1,353,007.53	1,353,007.53	1,368,966.06	278,413.32	57,673.52	66,909.71	-	-	-
TOTAL NET ASSETS	37,649,225.78	38,349,103.44	38,891,756.27	38,178,841.92	37,936,750.82	38,109,728.23	38,665,835.90	33,484,901.32	33,071,995.32
TOTAL LIABILITIES & NET ASSETS	87,613,279.08	88,390,907.72	88,804,306.64	87,966,378.31	88,709,037.07	89,322,513.80	89,590,500.28	84,266,309.96	83,767,135.82

(1) The Debtor's Balance Sheet reflects certain marketable securities at cost and are therefore exclusive of unrealized gains and losses.

(2) Net Assets as of petition date increased by \$128,405.79 to account for remaining balance of pre-petition retained paid to Debtor's legal counsel previously expensed by Debtor prior to petition date.

IX. PROFIT AND LOSS STATEMENT
FOR THE PERIOD 04/01/11 THROUGH 04/30/11
(ACCRUAL BASIS ONLY)

	Current Month	Cumulative Post-Petition
Sales/Revenue:		
Donation Income	1,660,817.88	11,609,670.22
Estate Gifts	118,236.46	2,211,610.16
Tuition Income	203,929.24	1,337,255.96
Events / Activities	41,109.92	287,604.79
Bookstore	27,872.43	204,158.23
Cemetery	3,265.00	29,218.00
Refund - Insurance	0.00	34,793.01
Gross Operating Revenue	2,055,230.93	15,714,310.37
Operating Expenses:		
Payroll - Insiders	46,578.15	439,225.88
Accrued Fees - Insiders	34,871.86	160,012.00
Payroll - Other Employees	588,492.89	3,841,869.75
Payroll Taxes	41,248.03	289,767.20
Depreciation	297,141.56	1,925,816.87
Rent Expense - Facilities	32,937.99	214,658.60
Insurance	34,243.48	243,863.05
Benefits Health Insurance	49,990.23	371,734.29
Telephone and Utilities	64,808.37	377,962.84
Repairs and Maintenance	53,984.40	470,838.29
Airline	476,200.10	3,094,521.53
Bookstore	16,429.07	144,762.86
Donations / Scholarships	5,362.70	33,573.97
Fees and Dues	21,555.48	175,769.78
Honorariums	20,652.67	81,718.68
Independent Contractors (incl. Sub. Teachers)	9,128.67	57,713.66
Officers	11,569.96	155,531.74
Postage	68,190.71	389,722.23
Printing	75,862.78	326,695.86
Professional Fees - Operations	102,533.07	537,599.86
Supplies	34,496.50	202,997.21
Miscellaneous Operating Expenses (Itemize)	46,335.15	163,967.15
Total Operating Expenses	2,132,613.82	13,702,323.30
Net Gain/(Loss) from Operations	(77,382.89)	2,011,987.07
Non-Operating Income:		
Interest Income	357.10	492.63
Investment Income (Note 1)	(1,290.95)	(502,069.03)
Royalty Income	0.00	38,305.15
Rent Income (Parking lot)	22,500.00	145,161.29
Total Non-Operating Income	21,566.15	(318,109.96)
Non-Operating Expenses:		
Interest Expense	184,151.04	1,186,700.44
Professional Fees - DIP	127,421.18	547,423.51
U.S. Trustee Fees	12,996.30	26,000.00
Total Non-Operating Expenses	324,568.52	1,760,123.95
NET INCOME/(LOSS) BEFORE RESTRICTED ACTIVITY	(380,385.26)	(66,246.84)
DONATION INCOME/RESTRICTED	2,746.87	4,027,729.58
NET INCOME/(LOSS) AFTER RESTRICTED ACTIVITY	(377,638.39)	3,961,482.74

(Note 1) Cumulative Investment Income is inclusive of the loss on the cancellation of the Reafsyder annuity contract effective 2/1/11 of \$528,877.50.

IX. PROFIT AND LOSS STATEMENT
FOR THE PERIOD APRIL 30, 2011
(Itemization of Miscellaneous Operating Expenses)

Miscellaneous Operating Expenses:	Current Month	Cumulative Post-Petition
Advertising	-	13,204.87
Billed to Foreign Affiliates	(11,741.66)	(84,387.13)
Education	19.95	2,559.95
Events / Activities	4,404.97	61,013.62
Lease Expense - Equipment	23,722.55	116,952.85
Property Taxes	28,922.54	58,139.03
Sales Taxes	369.07	3,701.60
Travel	637.73	(5,217.64)
Total Miscellaneous Operating Expenses:	46,335.15	165,967.15

X. BALANCE SHEET
AS OF 04/30/11
(ACCRUAL BASIS ONLY)

ASSETS	Current Month End	
Current Assets:		
Unrestricted Cash	4,247,349.93	
Restricted Cash/Investments (1)	6,151,094.21	
Accounts Receivable (Net)	38,305.49	
Pledges Receivable (Net)	1,147,405.21	
Due from International Affiliates (Net)	226,058.84	
Pre-Paid & Other Assets	1,069,017.00	
Burial Spaces (Unsold/Under Contract)	3,829,036.35	
Inventories	671,389.87	
Total Current Assets		17,379,656.90
Land	17,374,652.17	
Property, Plant, and Equipment	123,670,821.29	
Accumulated Depreciation	(69,620,823.72)	
Net Property, Plant, and Equipment		71,424,649.74
Other Assets (Net of Amortization):		
Other (Itemize)		0.00
Total Other Assets		0.00
TOTAL ASSETS		88,804,306.64
LIABILITIES		
Post-petition Liabilities:		
Accounts Payable	1,161,831.06	
Accruals and other payables	146,960.72	
Agencies	124,854.56	
Deferred Revenue	146,639.35	
Other (Itemize)		
Total Post-petition Liabilities		1,580,285.69
Pre-petition Liabilities:		
Accounts Payable	6,618,236.89	
Accruals and other payables	405,631.98	
Agencies	248,258.23	
Annuities	40,137.50	
Deferred Revenue	201,496.77	
Notes Payable Secured	36,837,540.20	
Notes Payable Unsecured	3,469,558.42	
Priority Liabilities	511,404.69	
Total Pre-petition Liabilities		48,332,264.68
TOTAL LIABILITIES		49,912,550.37
NET ASSETS:		
Net Assets - Pre-Petition (2)	33,561,307.47	
Accumulated Change in Net Assets	3,961,482.74	
Direct Charges to Net Assets	1,368,966.06	
TOTAL NET ASSETS		38,891,756.27
TOTAL LIABILITIES & NET ASSETS		88,804,306.64

(1) The Debtor's Balance Sheet reflects certain marketable securities at cost and are therefore exclusive of unrealized gains or losses.

(2) Net Assets as of petition date increased by \$128,405.79 to account for remaining balance of pre-petition retainer paid to Debtor's legal counsel previously expensed by Debtor prior to petition date.



CHAPMAN UNIVERSITY
OFFICE OF THE PRESIDENT

JAMES L. DOTI

July 22, 2011

To the Board of Directors of Crystal Cathedral Ministries:

We appreciate your consideration of Chapman University's continuing interest in the Crystal Cathedral Ministries campus.

Dr. Schuller began his critically important work in Orange County nearly six decades ago and was successful in building a world-renowned ministry with more than 10,000 members. Although CCM is currently facing significant challenges, we believe in its future. We wish to do everything we can to help assure that CCM comes through these challenges as soon as possible and emerges solidly positioned to continue its important work.

We have thought long and hard on what Chapman can do to improve its initial LOI and make it more attractive to you, and wish to offer the following revisions:

- Chapman is willing to offer to the ministry, after it exits bankruptcy, two of our very best people with experience in reigniting business and reinforcing its financial foundation. We will provide this service, which would be valued at approximately \$500,000 per year, at no charge to the ministry for whatever time period is needed.
- We are willing to reduce the repurchase right from \$23.5 million to \$21.0 million in our proposed \$46 million purchase price.

Alternatively, to make more cash immediately available to CCM, we are willing to increase our purchase offer to \$50 million with a repurchase right for \$27.5 million.

- We are willing to consider a longer lease term, should the ministries desire a term greater than the 15 years we initially proposed.

Board of Directors of Crystal Cathedral Ministries
July 22, 2011
Page 2

Should our proposal be accepted, the following would hold true:

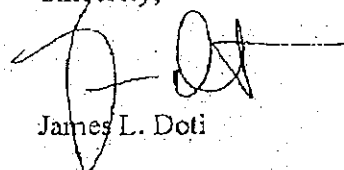
- Chapman University, under our LOI, is prepared to loan the ministry a substantial amount of money for payment to its creditors, and we need to ascertain that this loan can be repaid.
- We need to verify that CCM can reasonably be expected to pay the monthly rent it would owe to Chapman.
- It is agreed that any credit that is a result of litigation or negotiation with the secured creditor will be for the benefit of the buyer.
- This amended offer is subject to approval by the Chapman University Board of Trustees.

Before closing, I wish to emphasize that Chapman wants the ministry to take advantage of the repurchase right. The Crystal Cathedral is one of the most significant and beloved buildings in the world, and the ministry should have every opportunity to own it once again.

Please also know of our hope that Crystal Cathedral Ministries and Chapman University can remain not only partners, but begin anew as neighbors carrying on our vital community and global missions and outreach.

We humbly present this offer for your review and greatly appreciate your thoughtful consideration. Since this a substantial increase from our original proposal, we respectfully request your decision by 5:00 p.m., PST, on Friday, July 22, 2011.

Sincerely,



James L. Doti



CHAPMAN UNIVERSITY
OFFICE OF THE PRESIDENT

JAMES L. DUTI

July 22, 2011

Marc J. Winthrop
Winthrop Couchet P.C.
660 Newport Center Drive, 4th Floor
Newport Beach, Ca. 92660

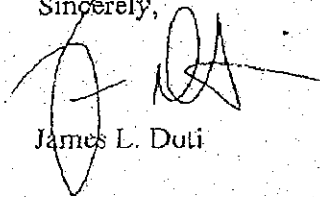
Dear Mr. Winthrop:

Please accept the enclosed revision to our letter of intent dated June 17, 2011 and that the terms and conditions from the original LOI shall apply.

We are submitting this revision with the condition that you read it to the Crystal Cathedral Ministries Board of Directors in its entirety, rather than simply communicating the dollar amounts. I believe that once you read my comments, you will understand the importance of this request.

Thank you for your consideration.

Sincerely,



James L. Duti



CHAPMAN UNIVERSITY
OFFICE OF THE PRESIDENT

JAMES L. DOTI

August 4, 2011

Mr. Marc J. Winthrop, Esq.
Winthrop Couchot P.C.
660 Newport Center, Fourth Floor
Newport Beach, California 92660

Dear Mr. Winthrop:

We appreciate Crystal Cathedral Ministries' consideration of Chapman University's continuing interest in the Crystal Cathedral Ministries campus.

Dr. Schuller began his critically important work in Orange County nearly six decades ago and was successful in building a world-renowned ministry with more than 10,000 members. Although CCM is currently facing significant challenges, we believe in its future. We wish to do everything we can to help assure that CCM comes through these challenges as soon as possible and emerges solidly positioned to continue its important work.

We have thought long and hard on what Chapman can do to improve its initial letter of intent dated June 17, 2011 to Marc Winthrop and make it more attractive to you, and wish to offer the following revisions to our letter of intent dated July 22, 2011 that have been approved by the Board of Trustees. Note that all capitalized terms are defined in the original letter of intent:

- Chapman is willing to offer to the ministry, after it exits bankruptcy, two individuals related to the University with extensive experience in business, financial and operational strategy.
- To make more cash immediately available to CCM, we are willing to increase the Purchase Price pursuant to our offer to \$50 million (without a loan feature) with an adjustment to the purchase price under the repurchase right of the Church Campus Buildings to \$27.5 million.

Should our proposal be accepted, the following would hold true:

- We need to verify that CCM can reasonably be expected to pay the monthly rent it would owe to Chapman under the lease back.

Marc J. Winthrop
August 4, 2011
Page 2

- It is agreed that any credit that is a result of litigation or negotiation with creditor Farmers & Merchants Bank of Long Beach on its claims will be for the benefit of Chapman.
- All of the other terms of the initial letter of intent remain in effect.

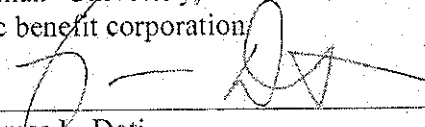
Before closing, I wish to emphasize that Chapman wants the ministry to take advantage of the repurchase right. The Crystal Cathedral is one of the most significant and beloved buildings in the world, and the ministry should have every opportunity to own it once again.

Please also know of our hope that Crystal Cathedral Ministries and Chapman University can remain not only partners, but begin anew as neighbors carrying on our vital community and global missions and outreach.

We humbly present this offer for your review and greatly appreciate your thoughtful consideration. Since this a substantial increase from our original proposal, we respectfully request your decision by 5:00 p.m., PST, on Monday, August 8, 2011.

Very truly yours,

Chapman University, a California non-profit
public benefit corporation

By: 
James L. Doti

Its: President

READ AND APPROVED
THIS ____ DAY OF AUGUST, 2011

Crystal Cathedral Ministries, a non-profit organization

By: _____

Its: _____

cc: Nanette Sanders, Esq.



CHAPMAN UNIVERSITY
OFFICE OF THE PRESIDENT

JAMES L. DOTI

August 8, 2011

Marc Winthrop, Esq.
Winthrop Couchet
660 Newport Center, Fourth Floor
Newport Beach, California 92660

Re: Proposed Term Sheet for Leaseback of Portions of the Crystal Cathedral Property

Dear Marc:

As a follow-up to the letter of intent dated June 22, 2011, as supplemented by the letter dated August 4, 2011, regarding the interest of Chapman University (the "University") in purchasing the Crystal Cathedral campus (the "Campus") this letter outlines the deal terms regarding the leaseback of portions of the Campus referred to in the letter of intent. The following outline is comprised of the proposed term sheet of the two (2) leases to be entered into in connection therewith. It is understood that this letter of intent/term sheet is intended to broadly address the primary business points and that the lease agreements shall contain more detail. The proposed terms are as follows:

1. Landlord: Chapman University, a California non-profit, public benefit corporation
2. Tenant: Crystal Cathedral Ministries, a non-profit organization
3. Premises:
 - The Premises to be leased consist of two (2) separate components, which shall be addressed in two (2) separate leases, referred to herein as the "Church Buildings Lease" and "Office Lease":
 - (a) The Crystal Cathedral Church, Tower of Hope, Arboretum, Family Lounge Art Gallery, Spire and Prayer Chapel and Memorial Gardens (collectively, the "Church Campus Buildings"); and
 - (b) The basement, first floor and second floor of the office building commonly known as the Family Life Building (the "Office Premises").

Marc Winthrop, Esq.
August 8, 2011
Page 2

4. Lease Term:

Chapman shall lease the Church Campus Buildings to CCM for a term of fifteen (15) years and the Office Premises for a term of two (2) years. The term of both leases shall commence upon the date the University acquires the Campus.

5. Base Rent:

Base rent for the Church Campus Buildings shall be One Hundred Fifty Thousand Dollars (\$150,000.00) per month on a triple-net basis. Base rent shall increase annually by three percent (3%) of the base rent in effect prior to the adjustment.

Base rent for the Office Premises shall be Sixty-Five Thousand Dollars (\$65,000.00) per month on a triple-net basis.

6. Condition; Maintenance:

Both the Church Campus Buildings and the Office Premises shall be leased by CCM as the current occupant in their existing, as-is condition. CCM shall maintain the Church Campus Buildings and the remainder of the Campus (excluding the Family Life Building, the Welcome Center and portions of the Campus developed by the University) in good condition, order and repair throughout the term of the Church Building Lease. The University shall maintain the Family Life Building in good condition, order and repair and CCM shall reimburse the University for its pro rata share of the operating expenses of the Family Life Building based upon the usable square footage of the Office Premises calculated in accordance with BOMA standards.

7. Campus Operating Expenses:

The leases shall reasonably allocate maintenance and operating costs of the Campus, including expenses such as gardening, landscaping, lighting, property insurance, liability insurance, real property taxes, maintenance and security, among the Church Campus Buildings, the Welcome Center and the Family Life Building. With respect to the percentage allocated to the Family Life Building, the University shall reimburse CCM for its pro rata share based on the methodology provided in Paragraph 6 above based upon the portion of the Family Life Building not included in the Office Lease. CCM shall bear all

Marc Winthrop, Esq.
August 8, 2011
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utilities utilized in connection with the Church Campus Buildings, the University shall bear all utilities associated with the Welcome Center and each party shall bear their pro rata share of the utilities utilized by the Family Life Building and the cost of separately metering the Family Life Building in accordance with the methodology under Section 6 above. Common area utilities shall be allocated between the Church Campus Buildings, the Welcome Center and the Family Life Building as reasonably determined by the parties during the due diligence period. In the event the University develops any portions of the Campus, it shall cause such improvements to be separately metered and shall bear the utilities attributable thereto. The leases shall both provide that they shall be completely triple net. Each party shall have audit rights with respect to any calculation of operating expenses and annual reconciliations performed by the other party.

8. Memorial Gardens:

CCM shall continue to maintain the Perpetual Care and Maintenance Endowment Fund in connection with the Memorial Gardens, which obligation shall continue after the termination or expiration of the Church Building Lease. The parties shall reasonably cooperate to create an arrangement to permanently establish such fund at CCM's expense.

9. Insurance:

CCM shall maintain 100% replacement cost insurance on the Church Campus Buildings and the University shall maintain 100% replacement cost insurance on the Family Life Building. Each party shall maintain liability coverage of not less than \$5,000,000 on the foregoing portions of the Campus unless the parties mutually agree to carry a single policy and allocate the pro rata share of the premiums between the parties. Premiums associated with the Family Life Building shall be allocated as an operating expense in accordance with the Office Lease.

10. Form of Leases:

The lease utilized for the Church Campus Buildings shall be prepared by the University on a customized form. The lease for the Office Premises shall be based upon the AIR Standard Industrial/Commercial Multi-Tenant Lease-Net

Marc Winthrop, Esq.
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form, modified in conformance with the provisions set forth herein.

11. Repurchase Option:

The Church Building Lease shall contain an option to repurchase the Church Campus Buildings. Provided CCM is not in default of the Church Building Lease or Office Lease, CCM shall have the right to repurchase the Church Campus Buildings at any time within forty-eight (48) months of the lease commencement. The repurchase price for the Church Campus Buildings shall be Twenty-Seven Million Five Hundred Thousand Dollars (\$27,500,000.00). The University shall have the right to subdivide the Memorial Gardens from the remainder of the Church Campus Buildings and convey the Memorial Gardens to CCM at any time within or following such forty-eight (48) month period. CCM and the University shall reasonably cooperate with each other in connection with the potential subdivision of the Campus and/or lot line adjustments necessary to facilitate the foregoing repurchase and the leases shall provide for rights of the University to modify the common areas of the Campus in order to facilitate expanding the use of the remaining portions of the Campus.

12. Assignability:

The leases and the option to repurchase shall each be solely for the benefit of CCM and shall include provisions that CCM shall not have the right to directly or indirectly convey, assign, transfer or sublease any interest therein to any third party.

13. Security Deposit:

CCM and University shall negotiate in good faith to provide adequate assurance of performance under the leases.

14. Cross-Default:

The leases shall each contain cross-default provisions.

15. Parking:

Parking shall be non-exclusive and reciprocal throughout the term of the Leases. CCM and the University shall negotiate a reciprocal easement agreement during the due diligence period to address reciprocal parking for the Campus throughout the term of the Church Building Lease and for purposes of the repurchase option.

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The foregoing terms outline the business terms upon which the University intends to negotiate the Church Building Lease and Office Lease during the due diligence period established under the purchase agreement contemplated by the letters of intent. We look forward to working out the details of the leases with you and/or representatives of CCM.

Very truly yours,

CHAPMAN UNIVERSITY

By: 

Its: 8-8-11

Cc: Crystal Cathedral Ministries
Creditors Committee

EXECUTIVE SUMMARY OF CCM PURCHASE AND SALE AGREEMENT

The following is a brief summary of some of the business terms included in the attached Agreement of Purchase and Sale and Joint Escrow Instructions (the "Purchase Agreement"). Please review the terms of the Purchase Agreement in its entirety as the Purchase Agreement shall control regarding any conflict between the terms hereof and the terms thereof.

1. **Seller:** Crystal Cathedral Ministries, a California nonprofit corporation ("CCM").
2. **Purchaser:** The Roman Catholic Bishop of Orange, a California corporation sole ("RCBO").
3. **Purchase Price:** \$50,000,000, payable in cash at Closing (no financing contingency). (Section 1.2)
4. **Property Being Purchased:** the Real Property and the Personal Property other than the Excluded Property (all as described below). (Section 1.1)
5. **"As Is-Where Is" Offer:** no "due diligence" contingency, although the RCBO and its agents and independent contractors will have the right to enter onto the Property to perform physical inspections, soil, engineering, geological tests and inspections to make such feasibility studies or reports as the RCBO deems appropriate. (Section 3.4)
6. **Initial Deposit:** \$250,000 to be delivered to Escrow Agent (First American Title) by the RCBO within three (3) business days after the later of full execution of the Purchase Agreement and filing of CCM's Sale Motion (motion to approve the sale of the Property to the RCBO). (Sections 1.3(a) and 4.1)
7. **Second Deposit:** the additional earnest money deposit in the amount of \$750,000 to be paid within three (3) business days of the date on which the order of the Bankruptcy Court approving CCM's Plan of Reorganization becomes final. (Section 1.3(b))
8. **Closing Date:** thirty (30) days after the order of the Bankruptcy Court approving the sale to Purchaser becomes final. (Section 4.2) The Closing Date is to be no earlier than November 30, 2011 and no later than January 31, 2012.
9. **Lease Option:** At the option of CCM, effective on the Closing, the parties will enter into a lease ("Interim Lease") of the Property (exclusive of the Family Life Center and the Memorial Gardens) and related Personal Property located therein, between the RCBO and/or its designee as lessor and CCM as lessee, for a term of thirty-six (36) months. CCM may terminate the Lease at any time upon six (6) months prior written notice. In addition, the RCBO may terminate the Lease at any time after twelve (12) months from the commencement of the Lease upon six (6) months prior notice. The monthly rent payable by CCM will be \$150,000 and the Property will be leased on a triple net basis. CCM will be responsible for all utilities, insurance, property taxes and maintenance during the term of the Interim Lease. If CCM desires, CCM may lease the

Family Life Center at a rent of \$10,000 per month on the same terms through June 2012 for the purpose of completing the 2011-2012 school year. (Section 5.8)

10. **Alternative Worship Space:** The RCBO will work with CCM to locate and provide acceptable alternative worship space for CCM to continue its ministries upon expiration or early termination of the Lease by the RCBO. As contemplated, the RCBO would identify property owned or controlled by the RCBO having available building space of at least 50,000 square feet of worship, office, meeting and school related space, to be offered to CCM at least six (6) months in advance of expiration of the Lease or upon notice of early termination by the RCBO. Rent would equal 90% of fair market rent (as established by agreement between the Parties or by appraisal) for a term of fifteen (15) years, with an option to purchase at 90% of fair market value in the first five (5) years. (Section 5.9)

11. **Memorial Gardens:** Effective upon the Closing, the RCBO will assume all contracts for interment and responsibility for maintenance of the Memorial Gardens. The RCBO will facilitate the disinterment of any remains at the request of any deceased's surviving family members. In consideration of the RCBO's assumption of the Memorial Gardens' contracts and obligations, the RCBO will receive the existing endowment fund for permanent maintenance held and administered by CCM at the Closing as well as any "pre-needs" funds that may be held by CCM. (Section 5.11 and Section 1.1(a)(iv))

12. **RCBO's Assignment Rights:** The RCBO may form one or more non-profit affiliated entities to take title to the Property, and may want separate entities to take title to the Memorial Gardens and the balance of the real estate. The RCBO will have the right to assign all of its right, title and interest in the Purchase Agreement to such affiliate(s) of the RCBO without CCM's consent, provided such affiliate assumes all of the RCBO's obligations under the Purchase Agreement. (Section 5.6)

13. **Allocation of Closing Expenses:** CCM and the RCBO will each be responsible for one-half (1/2) of the Escrow costs. CCM will pay all recording fees and the cost of a standard form ALTA title insurance policy in the amount of the Purchase Price and all documentary transfer taxes in connection with the transfer of title to the RCBO. The RCBO will pay any additional cost over and above the cost of the policy to obtain an ALTA extended coverage owner's policy or additional endorsements or coverage. (Section 4.5)

14. **Initialed Provisions.** Sections 3.4(b) and 6.3 have been altered to delete the initials by the parties. References to these sections have been added to the signature page instead.

15. **Additional Items Outside of Purchase Agreement:**

- If CCM desires to reduce expenses by closing the School that is operated at the Family Life Center, pre-school and kindergarten through 8th grade students would be welcome to enroll in St. Callistus Catholic School. Further, the RCBO would take steps to facilitate enrollment of high school students at a Diocesan high school. This offer is made whether or not the RCBO is the purchaser of the Property, and could be put into effect for the

upcoming school year or thereafter. (This would allow CCM to close operations at the Family Life Center and could provide significant operating expense savings.)

- The RCBO would like to provide an appropriate acknowledgment on the Campus of the legacy of Rev. and Mrs. Schuller regarding their Christian ministry and would be open to suggestions from CCM to accomplish this.
- The RCBO may substitute another escrow or title insurance company.
- Please provide a resolution of the Board of CCM that Jim Penner is authorized to make representations on its behalf.

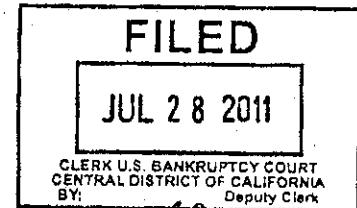
16. Helpful Definitions:

- **Excluded Property:** the property identified as being excluded property is listed in Section 1.1(a)(i) (page 2) of the Purchase Agreement (includes art collection, coin collection DVDs produced by the Seller, "the train", furniture located in certain offices, and other personal property that would need to be identified on an Exhibit – we added Exhibit "J" as a placeholder for this).
- **Personal Property:** all furniture, fixtures, and equipment, all documents, records, drawings, specifications, plans, surveys, building or occupancy permits, licenses, applications, contractual, and tangible and intangible rights and property (other than the Excluded Property), which is owned by CCM and is located on or used in connection with the operation of the Property, and includes, without limitation, all amounts held or designated for maintenance of the Memorial Gardens. Statuary is included as Personal Property (i.e., not excluded)
- **Property:** the Real Property and the Personal Property
- **Real Property:** that certain real property and all improvements located thereon and all appurtenances thereto, consisting of approximately 30.61 acres and commonly referred to as 12186 Salerno Street, 12051 Lewis Street, 12151 Lewis Street, 13280 Chapman Avenue, and 13350 Chapman Avenue in the City of Garden Grove, California, which real property is more particularly described on **Exhibit A** to the Purchase Agreement

1 MARK A. THOMAS, Senior Pastor
thomas@matm.org
2 Mark A. Thomas Ministries, Inc.
3 doing business as
My Father's House Church International
4 1820 Hamner Avenue, Suite A
Norco, CA 92860
5 Telephone: (951) 273-9689
6 Facsimile: (951) 273-7865
7 Prospective Buyer

8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 SANTA ANA DIVISION

 ORIGINAL



11 In re:

12 CRYSTAL CATHEDRAL MINISTRIES,
13 a California nonprofit corporation,

14 Debtor and
15 Debtor-in-Possession.

Case No. 8:10-bk-24771 RK
Assigned: Hon. Robert N. Kwan, Judge
Chapter 11 Proceeding

OFFER AND LETTER OF INTENT

Hearing:

DATE: August 01, 2011
TIME: 11:00 a.m.
PLACE: Courtroom 5D
411 West Fourth Street
Santa Ana, CA 92701

Deacey Lawrence
7/28/2011

Exhibit 6
Page 112

PO Box 6339
Corona, CA 92678
951.273.9689 Office
951.273.7865 Fax

MARK A. THOMAS MINISTRIES

July 28, 2011

Case#8:10-bk-24771-RK

TO THE HONORABLE ROBERT N. KWAN, UNITED STATES BANKRUPTCY JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, DEBTOR-IN-POSSESSION CRYSTAL CATHEDRAL MINISTRIES, CERTAIN CREDITORS, AND PARTIES IN INTEREST:

Mark A. Thomas Ministries, Inc. dba My Father's House Church International, a California nonprofit corporation, respectfully submits for your consideration this formal offer to take over Crystal Cathedral Ministries, a California nonprofit corporation, and official letter of intent to bring it out of the Chapter 11 bankruptcy filed October 18, 2010.

1. Background on Mark A Thomas Ministries, Inc. and My Father's House Church International.

My Father's House Church International is a non-denominational church based in Norco, California. The church has been in operation for over 14 years. It has an international presence in over 43 countries worldwide with at least 10,000 committed followers of its twice-weekly program, "Latter Day Kings." The church's co-Pastors and founders are Mark A. and Kimberley A. Thomas. The church congregation in Norco may be considered small, but they are committed. The church's business is well-managed and debt-free.

Mark A. Thomas Ministries, Inc. is the entity that facilitates the church's outreach operations. This entity oversees programs to meet the needs of people in their communities, coordinates opportunities for the pastors to deliver the Word of God worldwide, supports missions and other ministries, and publishes ministry products. This corporation successfully runs the many aspects of church business.

2. Intent regarding Creditors and the Church.

Mark A. Thomas Ministries, Inc. dba My Father's House Church International hereby formally offers to pay with interest all valid claims from Creditors, both Secured and Unsecured, up to a total of Fifty Million U.S. Dollars. And in so doing, Mark A. Thomas Ministries, Inc. dba My Father's House Church International will immediately take over the operations of Crystal Cathedral Ministries, and make the changes necessary to bring the church's bankruptcy to an opportune and orderly end.

The goal is to honor the history of the Crystal Cathedral by reclaiming the legacy of one of the world's greatest mega churches and to carry on, without further interruption, the work of Dr. Robert H. Schuller for the benefit of those who love the church, the Creditors, and the world at large.

3. Issues that make coming out of bankruptcy complex.

- The current church administration is perceived as self-serving. A church can never prosper as a business once it has lost the trust and support of its "parishioners." Currently, several petitions questioning the validity and necessity of the continued housing allowances, salaries, and benefits for the current staff are under review by the courts.

- The current church administration and the legal team representing the Debtor-in-Possession have been unable to come up with a plan to return the church to its prior position as a thriving business enterprise. They continue to address this bankruptcy as if it is a pure real estate transaction.
- The extent of the financial and operational issues of the Crystal Cathedral cannot be determined if those who created the problem by their decision-making are allowed to continue on staff.
- The Creditors do not consider the efforts of the current administration promising as evidenced by the filing of writs of attachment, liens, and etc.
- None of the other offers are from entities that run successfully similar businesses debt-free.
- Offers including options to lease-back portions of the ministry effectively set the DIP up for a Chapter 13 filing two to three years from now, and destroy all hope for a return to viability.
- The law firm representing the DIP is responsible for reviewing offers, and their level of objectivity is challenged by an offer such as this that requires their exit and resignation.

4. General Plan to address the issues in Paragraph 3 and to pay back Creditors.

Once this offer is accepted, Mark A. Thomas Ministries, Inc. dba My Father's House Church International, hereinafter referred to as Buyer, will immediately move their corporate headquarters from Norco, CA to The Crystal Cathedral in Garden Grove, CA. The Buyer's staff and administration will immediately move to address the following seven aspects of church business:

Church administration and legal counsel

- Stop compensating Schuller family members immediately.
- Resignations from members of the Schuller family and their legal counsel will be accepted as soon as practicable.
- All credit cards, limousine service, automobile leases, housing allowances, and special perks for current staff, administration, and legal counsel will be immediately discontinued.

Asset protection and preservation

- Halt all asset sales and asset transfers for 90 days.
- All books, records, accounts, assets, inventory, membership lists, customer lists for the cemetery and school, property, plant, equipment, contents of offsite storage, and contracts for service, will be physically secured immediately.
- All computer systems will be immediately protected.
- Explore options that generate returns on under-utilized assets.

Creditors

- Initiate contact with the Creditors and their counsel within the first two weeks.
- Continued contact with the Creditors will be made every two weeks during the first 90 days to keep them informed of what is transpiring at the church.
- Creditors to receive their first semi-annual installment towards debt repayment 180 days after the first service.

Members

- Alert members to changes within two weeks of change of administration.
- Thank them for their patience and commitment continually.
- Invite past members to come back to church, to get involved.
- Meet with the volunteer staff to outline the plans for the church within 30 days.
- Meet with the volunteer staff monthly thereafter to encourage and cast vision.
- Meet with the staff and administration at the school within the first two weeks.
- Meet with the staff and administration at the school every two weeks thereafter for at least 90 days to prepare for the 2011-2012 school year.
- Meet with the parents of students within 30 days.

- Meet with the staff and administration at the mausoleum within the first two weeks.
- Meet with the staff and administration at the mausoleum monthly thereafter to monitor sales activity and explore new ideas.

Evaluation period

- Immediately implement a 120-day evaluation period, so that the Buyer can take a much closer look at the business operations of the church.
- Evaluate all contracts for service.
- Evaluate all accounts payable, all accounts receivable, and
- Evaluate and prioritize all business expenses.
- Determine which business relationships are to be re-est:

The Court

- Create a monthly reporting function that keeps the courts and creditors advised during the 120-day evaluation period.
- Continue the monthly financial disclosure to the courts until such time as the Creditors deem it no longer necessary.
- Create a monthly operations disclosure to the courts that itemizes operational issues uncovered during the evaluation period.
- Create a quarterly reporting function that keeps the courts and creditors advised beyond the 120-day evaluation period.

Financial plans

- Establish new bank accounts immediately.
- Create an escrow account for repayment of all debt within seven (7) days of the change of administration.
- Beginning as early as 30 days after the first service, fund that escrow account using 75% of donations received monthly.
- Give followers and members the opportunity to participate in one of the greatest turnarounds in history through financial gifts.
- Use 100% of funds specifically donated for debt repayment to fund the escrow account. Funds to be posted within seven (7) days of receipt.
- Begin retiring debt 180 days after the first service using 100% of the funds collected in the debt repayment escrow account. Thereafter, make semi-annual payments of 100% of the funds collected in the debt repayment escrow account to Creditors until 100% of the amount owed plus interest is satisfied, and the debt is cancelled.
- The period of time necessary to cancel all debt is directly effected by the Buyer's ability to increase the public's support of the church as they cut out expenses that drain the church's resources. The Buyer will not extend the time period beyond legal limits.
- The intent is to emerge from bankruptcy as soon as possible, and as strong as possible.

Church services

- Develop a plan and a budget for the first church service.
- Develop a strategy to fill up every vacant seat in the building every Sunday.
- After the change of administration, have the first church service on Sunday, September 4, 2011 at 9:30am.
- Broadcast church services worldwide beginning on Sunday, September 4, 2011 at 9:30am.
- Continue to nurture and grow the church until Jesus returns!

Crystal Cathedral Ministries

Offer to Purchase Real Estate Comparative Analysis

Buyer	Chapman	RCBO w/Lease	RCBO w/o Lease	Notes
Price	\$ 50,000,000	\$ 50,000,000	\$ 53,600,000	
Commission/Closing Costs	1.0%	0.5%	0.5%	Chapman at an estimated 1% RCBO splits the closing costs. Estimate at 1% in total
Net Proceeds	\$ 49,500,000	\$ 49,750,000	\$ 53,332,000	The RCBO offer with the leasing of the Campus is for a purchase price of \$53.6 million, however \$3.6 million is to be held in escrow then released to pay future rents for 3 years. The Chapman offer includes a provision whereby any credit that is a result of litigation or negotiation with creditor Farmers & Merchants Bank of Long Beach on its claims will be for the benefit of Chapman and reduce their purchase price accordingly.
Due Diligence Period	20 days	None, as is	None, as is	
Closing	"As soon as possible" after expiration of DD period	30 days after BK order	30 days after BK order	
Lease Back Provisions				
Family Life Center				
> Premises	Space currently used by academy and office space	6 months from an assumed Effective Date of 1/1/11.	N/A	CU transaction requires lease-back of only that space currently in active use by CCM. RCBO offer is 6 months use only
> Sq Ft	81,700	81,700	N/A	
> Start Rent	\$65K per month NNN	\$10k per month NNN	N/A	
> Monthly Rent	\$ 0.80	\$ 0.12	N/A	
> Annual Increases	None	None	N/A	
> Term	2 years	6 months	N/A	
Core Church Buildings				
> Premises	Crystal Cathedral, Hope Tower, Arboretum, Family Lounge, Art Gallery, Spire/Prayer Chapel, Memorial Gardens	Crystal Cathedral, Hope Tower, Arboretum, Family Lounge, Art Gallery, Spire/Prayer Chapel, Welcoming Center	Crystal Cathedral, Hope Tower, Arboretum, Family Lounge, Art Gallery, Spire/Prayer Chapel, Welcoming Center	
> Sq Ft	139,400	192,000	192,000	
> Excluded Premises	Welcoming Center	Memorial Gardens	Memorial Gardens	
> Sq Ft	(52,600 SF)	Take over \$770k in funds	Take over \$770k in funds	
> Parking Areas	Share	Share	N/A	
> Start Rent	\$150K per mo, NNN	\$150K per mo, NNN	N/A	
	\$ 1.08	\$ 0.78	N/A	
> Annual Increases	3%	0%	N/A	
> Term	15 years	3 years	N/A	
Year 1 Summary				
Premises SF	221,100	273,700	N/A	CU excludes Welcoming Center. RCBO excludes Memorial Gardens and only permits the use of the FLC for 6 months
Base Rent	\$215,000	\$160,000		The rent on the Campus is comparable. The difference represents the use of the FLC. RCBO allows use for 6 months for \$10k per month
Ave \$ Sq ft	\$ 1.03	\$ 1.71		
Est. NNN Charges	\$1,320,000 \$5.97 PSF/Yr (Utils, R&M, Ins, Prop Tax)	\$1,634,000 \$5.97 PSF/Yr (Utils, R&M, Ins, Prop Tax)		RCBO includes full year charges on the FLC for comparative purposes although the proposed use is for 6 months from the Effective Date
Total Year 1 Cost	\$1,535,000	\$1,066,215		Primary difference is the CAM related to the Welcoming Center usage per the RCBO and rent/CAM for the FLC

Crystal Cathedral Ministries

Offer to Purchase Real Estate Comparative Analysis

Buyer	Chapman	RCBO w/Lease	RCBO w/o Lease	Notes
Buy-Back Provisions				
Premises	Crystal Cathedral, Hope Tower, Arboretum, Family Lounge, Art Gallery, Spire/Prayer Chapel, Memorial Gardens	None	None	
Excluded Premises	Welcoming Center			
Parking Areas	TBD			
Outside Exercise Date	4 Years			
ROFO/ROFR?	TBD			
Price	\$ 27,500,000			
Other Provisions				
Personal Property	Furniture and fixture. Excludes intangible assets, intellectual property and other assets such as collectibles.	Excludes collectibles and office furniture. Includes FF&E, intangibles and CCMG restricted funds.	Excludes collectibles and office furniture. Includes FF&E, intangibles and CCMG restricted funds.	

Crystal Cathedral Ministries
Chapter 7 Liquidation Analysis

General Assumptions

In chapter 7, a trustee (the "*Chapter 7 Trustee*") is appointed to manage a debtor's affairs and conduct a liquidation. Accordingly, the Liquidation Analysis assumes the Debtor would be forced to liquidate and would do so on an expedited, but orderly basis under the supervision of the Chapter 7 trustee. The Debtor would be forced to cease substantially all operations immediately and use their cash position to liquidate their assets and pay priority claims.

The likely consequences of the conversion of the Debtor's chapter 11 cases to cases under chapter 7 of the Bankruptcy Code include the following:

- The Debtor assume an expedited but orderly wind-down of their businesses to maximize recovery values. While the Debtors assume the majority of the wind-down would be done in approximately 90 days, the complete liquidation would be expected to take six months.
- Recoveries do not reflect any potential negative impact on the distributable value available to the Debtors' creditors on account of any potential unknown and contingent liabilities, including, but not limited to, environmental obligations and litigation claims.

The table below summarizes the estimated proceeds that would be available for distribution to the Debtor's creditors in a hypothetical liquidation of the Debtor's estates under chapter 7 of the Bankruptcy Code.

Crystal Cathedral Ministries
Chapter 7 Liquidation Analysis

	Notes	Book Value as of 6/30/11	Estimated Recovery %		Estimated Liquidation Value	
			Low	High	Low	High
Unrestricted Cash	[1]	3,675,290	100%	100%	\$ 3,675,290	\$ 3,675,290
Restricted Cash & Investment	[2]	6,142,111	4%	4%	240,645	240,645
Cash Surrender Value of Life Insurance Policy	[3]	250,636	0%	0%	-	-
Accounts Receivable, net	[4]	27,148	0%	0%	-	-
Pledges Receivable, net	[5]	1,363,000	50%	75%	681,500	1,022,250
Inventory, net	[6]	665,537	13%	27%	88,773	177,546
Prepaid & Other Assets	[7]	1,080,791	15%	31%	162,104	334,212
Commercial Real Estate	[8]				49,500,000	53,332,000
Residential Real Estate	[9]				829,170	899,100
Permanently Installed Sculptures	[10]				-	-
Burial Spaces	[8]	3,829,036			-	-
Works of Art, Props & Other	[11]	-	80%	100%	510,000	637,500
Furniture, Office Equipment & Vehicles	[12]	22,855,227	5%	20%	1,142,761	4,571,045
Gross Proceeds Available for Distribution		39,888,776	142%	163%	56,830,243	64,889,587
Less:						
Trustee Fees		-	100%	100%	(1,728,157)	(1,969,938)
Professional Fees	[13]	-	100%	100%	(345,631)	(393,988)
Wind-down Costs	[14]	-	100%	100%	(358,974)	(358,974)
Total Chapter 7 Administrative Claims		-	100%	100%	(2,432,762)	(2,722,899)
Net Proceeds Available for Distribution					54,397,481	62,166,689
Administrative Claims	[15]	1,370,910	100%	100%	(1,370,910)	(1,370,910)
Proceeds Available for Secured Claims					53,026,571	60,795,779
Secured Claims						
Farmers & Merchants Bank (Class 1.2)	[8]	34,087,596			(36,508,204)	(34,087,596)
Grant & BCG	[9]	848,000	98%	100%	(829,170)	(848,000)
Priority Taxes (Class 1.1)	[16]	863	100%	100%	(863)	(863)
Morgan Stanley (Class 1.8)	[17]	871,837	0%	0%	-	-
National City PNCEF (Class 1.6)	[18]	100,000	0%	0%	-	-
GE Capital Public Finance, Inc. (Class 1.4)	[18]	82,544	0%	0%	-	-
Other Tax Liens		20,851	100%	100%	(20,851)	(20,851)
Proceeds Available for Unsecured Claims		36,011,691			15,667,483	25,838,469
Unsecured Claims						
Priority Unsecured Claims, Excl. Taxes (Class 2)		18,790	100%	100%	(18,790)	(18,790)
General Unsecured (Class 3)		12,485,471	100%	100%	(12,485,471)	(12,485,471)
Total Unsecured Claims		12,504,261	100%	100%	3,163,222	13,334,208
Proceeds Available for Distribution to Equity					3,163,222	13,334,208

LOW-HIGH AVERAGE (MEAN) PROCEEDS AVAILABLE FOR UNSECURED CLAIMS	20,752,976
PROJECTED UNSECURED CLAIMS RECOVERY	12,504,261
RECOVERY	100%
PROCEEDS AVAILABLE FOR DISTRIBUTION TO EQUITY	8,248,715

Crystal Cathedral Ministries
Chapter 7 Liquidation Analysis

Notes & Significant Assumption to Liquidation Analysis

- [1] Unrestricted cash consist of all cash and liquid investments with maturities of three months or less.
- [2] Restricted cash & investments consist of temporarily restricted net assets whereby the donor imposed restrictions have not been met. Permanently restricted net assets are designated for specific purposes by the donor. These amounts although recorded in CCM's financial statement are not available for distribution for creditors under a Chapter 7 liquidation with the exception of the Academy Scholarship Fund which has a balance of \$1,090,645, partially offset by a security interest by Morgan Stanley of approximately \$871,837.
- [3] Life insurance policies consist of policies whereby CCM is named as the beneficiary by a third party. The policies have an aggregate face value of \$2.1 million. In the event of a liquidation, we have assumed the policy holders would change the beneficiary on the policy resulting in no proceeds to the estate upon liquidation.
- [4] Accounts receivable consists of amounts pledged by donors for the Crystal Cathedral Academy, Memorial Gardens, International Affiliates and Employee Advances. Due to the non-contractual nature of these amounts, in the event of a liquidation, we have assumed the donors would cease to contribute or pay the amounts recorded by CCM.
- [5] Pledges receivable consist of non-contingent estate gifts (bequests). CCM has received notification from the estate of the donor they are the recipient of these funds.
- [6] The liquidation of inventory is to occur through the sale of specific products over a short period of time. Inventories comprise of three primary categories (i) Offers for Donors, (ii) Office Supplies, and (iii) Bookstore. The Offers for Donors consist primarily of promotional materials that upon liquidation is estimated to have very little value. Office Supplies consist of letterhead, envelopes and packaging materials with little or no value. Bookstore inventory primarily consists of books, jewelry and DVDs held for resale.
- [7] Prepaid & other assets consist of television airtime, vendor deposits, loan fees and the cash surrender value of life insurance policies. The life insurance policy has been segregated in the above analysis. It is assumed the vast majority of prepaid expenses will not be refundable while deposits will be.
- [8] Commercial real estate consists of real property located at 12051 Lewis Street, 12141 Lewis Street, 13350 Chapman Ave and 12186 Salerno Street, all located in Garden Grove, CA. This real property also includes a cemetery with burial spaces currently being marketed for sale. The "low" range of the liquidation value is based on an offer to purchase the real property from Chapman University dated July 22, 2011, less an estimated 1% for closing costs. There are no real estate broker fees under the Chapman University offer. The "high" end of the range consist of the offer from the Roman Catholic Bishop of Orange,
- [9] Residential real estate consists of a condominium located at 31423 Coast Highway #33, Laguna Beach, CA secured by a first deed of trust. Balance includes accrued interest.
- [10] The unsolicited offer to purchase the real estate includes the acquisition of the sculptures in the purchase price. As a result, the full amount of the offer is included in the Commercial Real Estate value and has not been bifurcated between the captions titled Commercial Real Estate and Permanently Installed Sculptures.
- [11] Works of art consist of donated items not included in the financial statements. These items were appraised by Rita Chemers on September 22, 2006 at the request of CCM and represents a retail price for these items. Additionally, these amounts include "Glory" props and other items. Per CCM's financial projections, these items have an aggregate value of \$750,000. We have not had these items independently appraised and have assumed the value of these items equal the Debtor's estimate of \$750,000 per our "High" liquidation value less a 20% auction fee.
- [12] Furniture, office equipment and vehicles include assets that are significantly depreciated and may not result in significant liquidation value. We have not performed or obtained an appraisal of these assets, however used a conservative range of estimated recovery percentages.
- [13] Professional fees consist of the estimated cost of lawyers and accountants employed by a Chapter 7 Trustee. These amounts are estimated at 20% of the Trustee's fees.
- [14] Wind-down costs include the estimated costs of company personnel to assist with the final accounting, facilities maintenance and sale of assets by a Chapter 7 Trustee. The amount has been estimated at two weeks of payroll.
- [15] Administrative claims consist of post-petition liabilities per the Monthly Operating Report filed with the Office of the US Trustee plus an estimated \$550k in unbilled professional fees from FTI less accrued interest to Farmers & Merchants, Grant & BCG and Morgan Stanley on its respective secured debt which is included under the caption "Secured Claims". For purposes of this Liquidation Analysis, the "Low" end of the range for the Farmers & Merchants loan consists of the amount per their claim plus accrued interest through June 30, 2011. The "High" end of the range is per the Debtor's estimate plus accrued interest through June 30, 2011.
- [16] Per Debtor's Disclosure Statement
- [17] The loan is secured by the CCM Scholarship Fund with an account balance per the February 2011 Monthly Operating Report.
- [18] Upon a liquidation, the underlying equipment will be returned to the respective lender.

EXHIBIT "9"

FEASIBILITY ANALYSIS/KEY ASSUMPTIONS

The Committee's Plan is feasible, which means that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor under the Plan, unless such liquidation or reorganization is proposed in the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether the Plan proponent will have enough cash on hand on the Effective Date of the Plan to pay all Claims and expenses that are entitled to be paid on such date. The second aspect considers whether the proponent will have enough cash over the life of the Plan to make the required Plan payments.

With respect to the first component, there is sufficient cash on hand and available to the Debtor to pay all Claims that the Plan proposes be paid on the Effective Date. Attached as Exhibit "10" to this Disclosure Statement are Financial Projections prepared by the Financial Advisor to the Committee, BSW & Associates, based on projections provided by the Debtor's Financial Advisor and Consultant. BSW & Associates then changed certain of the Debtor's assumptions to reflect the Committee's Plan which includes the sale of certain specified Real and Personal Property Assets of the Debtor, the distribution of the Net Sales Proceeds received from such transactions to the Creditors of the Estate in the manner described in the Plan and Disclosure Statement, and the subsequent continued operation of the Debtor's ministry.

The following is a summary of the significant changes to the assumptions to the Debtor's financial projections:

Assumption	Committee's Changes to Debtor's Financial Projections
Effective Date	January 1, 2012
Repayment term of General Unsecured Claims	Paid in full within 30 days of the Effective Date.
Campus Sale Real Estate Commissions	None.
Proceeds withheld from the sale of Real Estate Assets to fund the Debtor's cash requirements.	None
Rent payments on the Crystal Cathedral Campus	The annual rent under the CU offer is \$2,580,000 per year plus related occupancy costs of \$1,320,000 or \$3,900,000 during the first year, a savings of \$1,746,000.
Capital Expenditures per year	\$400,000 per year due resulting solely from leasing less real estate.
Revenue & Operating Expenses	No changes, except as noted above.
Reimbursement of bidders' due diligence fees	\$100,000 to be paid on the Effective Date.
Farmers & Merchants Secured Claim	Changed the amount from \$33,233,392 to \$35,559,815. Such amounts are subject to further review and analysis.
Campus Sale	Eliminated real estate commissions and included a provision of 1% of the gross proceeds from the sale of the Real Estate Assets.

The Financial Projections set forth cash flow expected to be derived by the Reorganized Debtor for the term of the Plan. Projections of anticipated cash flow are based, in part, upon recent historical performance to the extent it is relevant to the future operations of the Reorganized Debtor, and the impact the current economic climate is having on the Debtor's ministry. Attached to the Financial Projections is a statement of the material assumptions. Although the Committee has devoted considerable effort to the development of the Financial Projections and believe that the Financial Projections represent fairly the projected future cash flow of the Reorganized Debtor, care should be taken in analyzing the Financial Projections as no guarantee exists that the Financial Projections can be met by the Reorganized Debtor.

Significant assumptions underlying the Financial Projections include the following:

a. Effective Date of the Plan. For the purpose of the Financial Projections, the Committee estimates that the Confirmation Date will occur on or about November 15, 2011 and that the Effective Date will occur on or about January 1, 2012.

b. Revenues Generated By the Reorganized Debtor's Ministry Operations. The Committee has used the Debtor's projections of the future revenues which will be generated by the Reorganized Debtor's ministry and are derived, in large part, from the pattern exhibited by the Debtor's pre-Confirmation operations, to the extent that they are relevant.

c. Expenses of the Reorganized Debtor. The Committee has used the Debtor's assumed amount, for the purpose of the Financial Projections, that the expenses of the Reorganized Debtor will remain fairly constant as a percentage of historical donations for variable cost and constant in terms of fixed cost based on current expectation during the term of the Plan, except as described above.

2. Funding of Distributions Required by the Plan. The Financial Projections indicate that, for each year after the Effective Date, the Reorganized Debtor will have Cash sufficient to pay the expenses which will be incurred in connection with the operation of the Reorganized Debtor's ministry and to make all payments required to be made pursuant to the Plan.

The following components are essential to the execution of the Plan:

a. Funding of Distributions Required on or About the Effective Date.
In order to emerge from Chapter 11, the Debtor must have Cash sufficient to fund the Distributions that are required to be made on or about the Effective Date. On or about the Effective Date, the Debtor must pay all of the Allowed Administrative Claims, Allowed Priority Unsecured Claims and the amounts necessary to cure all defaults pursuant to the executory contracts and unexpired leases which it will assume on the Effective Date (unless the non-debtor parties to such executory contracts or unexpired leases agree to

different treatment of their Claims). The Committee estimates that, on or about the Effective Date, it may have to pay the following Claims:

Administrative Claims	\$300,000.00
Allowed Priority Unsecured Claims	\$ 18,790.00
Cure Claims	\$ <u>67,875.00</u>
TOTAL	\$386,665.00

The Committee's projections of the Administrative Claims related to fees of Professionals which it will have to pay on or about the Effective Date is only an estimate, and is not to be construed as any agreement as to the amount or reasonableness of such fees. The actual fees of Professionals which may be allowed by the Bankruptcy Court and which will have to be paid by the Reorganized Debtor on or before the Effective Date may be higher or lower than the amount estimated by the Debtor.

The Committee estimates that the total amount due to the cure claimants as of the Effective Date will be approximately \$67,875, which shall be paid on the Effective Date.

The Financial Projections indicate that there will be sufficient Cash on hand and generated by Real and Personal Property sales to fund the Distributions required to be paid to Creditors on or before the Effective Date. As of the Effective Date, the projected unrestricted Cash on hand, which is expected to be sufficient to fund distributions on the Effective Date, is \$4,071,948 prior to the proceeds from the sale of the Real Estate Assets and other items of \$50,430,000.

b. Funding of Ongoing Distributions to Holders of Allowed Claims Required by the Plan. The second component essential to the execution of the Plan relates to the Reorganized Debtor's funding of the ongoing Distributions to holders of Allowed Claims required by the Plan. The Financial Projections indicate that, over the term of the Plan, the Reorganized Debtor will have funds sufficient to timely pay its accruing obligations with respect to the Allowed Secured Claims on the Effective Date and will be able to timely meet all of the Reorganized Debtor's accruing expenses of operating the Reorganized Debtor's ministry.

The Financial Projections indicate, therefore, that the Reorganized Debtor will generate sales proceeds and revenues sufficient to meet all of its obligations under the Plan, as well as to pay the costs of its ministry. The projection of the revenues and expenses of the Debtor's future business operations are subject to a variety of unpredictable outside forces and circumstances which could adversely affect such projections, actual results may be substantially different.

THE FINANCIAL PROJECTIONS REPRESENT AN ESTIMATE OF FUTURE PERFORMANCE BASED UPON CERTAIN ASSUMPTIONS. THESE FUTURE EVENTS MAY OR MAY NOT OCCUR, AND THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS WHICH WILL OCCUR. BECAUSE OF THE UNCERTAINTIES INHERENT IN PREDICTIONS OF FUTURE EVENTS AND EVENTS OUTSIDE OF THE DEBTOR'S AND/OR COMMITTEE'S CONTROL, THE ACTUAL CASH FLOW MAY WELL BE DIFFERENT THAN PREDICTED, AND SUCH DIFFERENCE MAY BE MATERIAL AND ADVERSE TO THE INTERESTS OF CREDITORS AND/OR INTEREST HOLDERS.

Crystal Cathedral Ministries, Debtor and DIP
Summary of Assumptions
Crystal Cathedral Ministries, Debtor and DIP

Notes

The items shaded represent changes in assumption to the Debtor's financial projections to reflect the terms of the Creditors' Plan of Reorganization

Global Assumptions

Effective Date	Jan-12	NA
Projected Plan Term (Years)	100%	
GUC Payments	3,675,289	
% Paid on Eff Date from Asset Sales	2,575,706	
Cash at Beginning of Projection Period	33,333	
Cash at Effective Date	33,333	
Monthly CapEx Provision	33,333	
Monthly Release of Restricted Cash	43%	
Utility Savings, FLC	67%	
R&M Savings, FLC	20%	
Benefits/PR Taxes as a % of Payroll	7.65%	
Payroll Taxes	Sep-11	
Payroll Cuts Effective Date		

Effective Date Activity

Professional Fees	200,000
Bidder Expense Reimbursement	100,000
Administrative Claims	300,000

Cure Payments	67,875
Less: Class 5 Cure Payment	(6,879)
Less: Class 10 Cure Payment	(1,177)
Cure Claims	59,819
Orange County Post-Petition Taxes	59,002
Orange County Tax Liens	20,851
Priority Tax Claims	1,198
Orange County and Priority Tax Claims	81,051

LA County Tax Collector	-
GE Capital	6,879
Morgan Stanley Bank	864,978
Collateral Value	(1,101,978)
Net CD Proceeds	(237,000)
Toyota Motor Credit	1,177
Priority Unsecured Claims	18,790

Miscellaneous Claims Classes

Canon Financial Services	20,859
PNC Equipment Finance	396,324
	417,183
	100,000
	1,993,483
	2,093,483

Class 6 and 7 Secured Claims (Cumulative)

Payment Term (Years)	2
Interest Rate	4.25%
Credit Manager's Association	100,000
Other Asset Sale \$ Applied (if any)	100%

To be paid from cash on hand if no Other Asset Sale

Unsecured creditors are repaid in full on the Effective Date from the sale of Real Estate Assets and the Debtor's cash on hand
 Balance per the June 30, 2011 Monthly Operating Report
 Per updated CF projections
 Lowered by 33%, less square footage as of Effective Date
 \$4M at 10% per year, restricted donation
 Estimated reduction after termination of FLC lease. % based on actual costs
 Estimated reduction after termination of FLC lease. % based on actual costs
 Used for payroll additions, Hispanic Ministry only

Professional Fees; Debtor estimate
 Expense reimbursement offered to losing bidder

Per Claims Analysis
 See below
 See below

Per Claims Analysis
 Per Claims Analysis
 Per Claims Analysis. Note: Treatment different in current projections (paid on ED vs over time)

Class 2
 Class 5; cure claim
 Class 9; Secured
 Estimated
 Net, after liquidation of collateral and payment of claim
 Class 10; Cure Claim
 Class 12; Priority Wage Claims

Class 6; secured portion
 Unsecured portion; in Class 3
 Class 7; secured portion
 Unsecured portion; in Class 3

Prime + 1%
 Class 8; secured

Summary of Assumptions
Crystal Cathedral Ministries, Debtor and DIP

		Notes
Real Estate Secured Debt		
Beginning Debt Balance - F&M	36,998,594	Class 3
		Petition Date 35,559,815
		Accrued Int. 2,441,995 14.5 months of interest
		Fees, Exps 96,784
		Less: Adequate Protection (1,100,000) 11 months of Adequate Protection
		Effective Date Balance 36,998,594
		Balance
		1st TD 32,396,065
		2nd TD 3,163,750
		Interest Rate 5.75%
		5.00%
		5.68%
Beginning Debt Balance - Grand & BCG	887,000	Class 4
		Petition Date 800,000
		Accrued Int. 87,000 14.5 months of interest
		Interest Rate 9.00%
Unsecured Claims		
General Unsecured Claims	12,485,471	Class 13, per Claims Analysis
Insider Claims	2,029,259	Class 14, per Claims Analysis
Interest Rate (Insiders)	0.00%	
Monthly Payment to Insiders	75,000	After non-insiders fully repaid
Net Campus Sale Proceeds Applied to GUC	100%	After repayment of F&M
Campus Sale Date Payment	12,485,471	
Asset Sales		
Campus Gross Sales Price	50,000,000	Per LOI w/ Chapman
Condo Gross Sales Price	1,000,000	Estimate, based on offers received. List price \$999K
Closing Costs, Campus	1.00%	There are no broker commission in the Chapman sale, only general closing costs
Closing Costs, Condo	7.00%	6% broker commission, plus general closing costs
Sale Date, Campus	Jan-12	Effective date
Campus Net \$	49,500,000	Effective date
Sale Date, Condo	Jan-12	
Condo Net \$	930,000	
Campus Lease Assumptions		
Start Date	Jan-12	Per LOI w/ Chapman
Monthly Rent, Initial	215,000	Effective date
Monthly Rent (Post FLC Lease Termination)	150,000	Whole campus
Monthly Rent (Post Entitlement Recapture)	NA	Whole campus less FLC building and adjacent parking lot
Annual Escalator	3.00%	NA
NNN Savings, years 1&2 (per F11)	-	Not on FLC (\$65k / year of rent per LOI)
NNN Savings, years 3+ (estimate)	-	
Actual Property Tax Rate	1.06%	
Church Exemption Percentage (Estimated)	50%	Preliminary, Church exemption per State Board of Equalization publications
Effective Property Tax Rate	0.53%	
FLC Termination Date	Dec-13	Lease held throughout 2 year period; no early sublease
Entitlement Recapture Date (MFR Land)	NA	NA

Summary of Assumptions
Crystal Cathedral Ministries, Debtor and DIP

Notes	Growth Rates				
	Year 1	Year 2	Year 3	Year 4	Year 5
Hour of Power Receipts	0.0%	0.0%	2.0%	3.0%	3.0%
Hispanic - Church Receipts	1.0%	1.0%	3.0%	4.0%	4.0%
Church Receipts	0.0%	0.0%	2.0%	3.0%	3.0%
Academy Receipts	2.0%	2.0%	3.0%	3.0%	3.0%
All Other Receipts	0.0%	0.0%	3.0%	3.0%	3.0%
Memorial Gardens Receipts	0.0%	0.0%	3.0%	3.0%	3.0%
Bookstore Receipts	0.0%	0.0%	3.0%	3.0%	3.0%
Estate Donations	0.0%	0.0%	3.0%	3.0%	3.0%
Other Receipts	0.0%	0.0%	3.0%	3.0%	3.0%
Campus Lease - Greenlaw	0.0%	3.0%	3.0%	3.0%	3.0%
All Other Segment Expenses	2.0%	2.0%	3.0%	3.0%	3.0%
Hour of Power Airtime and Production Costs	2.0%	2.0%	3.0%	3.0%	3.0%
Hour of Power Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Other Hour of Power Expense	2.0%	2.0%	3.0%	3.0%	3.0%
Hispanic - Television Costs	2.0%	2.0%	3.0%	3.0%	3.0%
Hispanic - Church Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Hispanic - Other Church Expense	2.0%	2.0%	3.0%	3.0%	3.0%
Church Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Other Church Expense	2.0%	2.0%	3.0%	3.0%	3.0%
Academy Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Other Academy Expense	2.0%	2.0%	3.0%	3.0%	3.0%
Memorial Gardens Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Other Memorial Gardens Expense	2.0%	2.0%	3.0%	3.0%	3.0%
Bookstore Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Other Bookstore Expense	2.0%	2.0%	3.0%	3.0%	3.0%
General and Administrative Expenses	2.0%	2.0%	3.0%	3.0%	3.0%
Payroll and Benefits	2.0%	2.0%	3.0%	3.0%	3.0%
Utilities	2.0%	2.0%	3.0%	3.0%	3.0%
Repairs and Maintenance	2.0%	2.0%	3.0%	3.0%	3.0%
Insurance	2.0%	2.0%	3.0%	3.0%	3.0%
Other	2.0%	2.0%	3.0%	3.0%	3.0%
Building Lease	2.0%	2.0%	3.0%	3.0%	3.0%
Furniture and Fixtures	2.0%	2.0%	3.0%	3.0%	3.0%
Supplies, Printing, and Postage	2.0%	2.0%	3.0%	3.0%	3.0%
Professional Fees	2.0%	2.0%	3.0%	3.0%	3.0%

Exhibit 10
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Crystal Cathedral Ministries, Debtor and DIP
Annual Cash Flow Projections
Creditors' Plan of Reorganization

	Ch 11 Period July - Dec 2011	Year 1	Year 2	Year 3
Beginning Cash Balance		\$ 4,071,948		
Effective Date Activity				
Administrative Claims		(300,000)		
Cure Claims		(59,819)		
Orange County and Priority Tax Claims		(81,051)		
Classes 2, 5 and 10		(8,056)		
Class 9, Net CD Liquidation Proceeds		237,000		
Class 12 Priority Unsecured Claims		(18,790)		
		(230,716)		
Beginning Cash	\$ 3,675,289	\$ 3,841,233	\$ 3,757,085	\$ 3,716,303
Segment Income				
Hour of Power Income	2,470,225	4,201,579	4,040,023	4,069,190
Hispanic - Church Income	770,079	1,510,833	1,527,434	1,581,259
Church Income	448,821	942,800	937,067	955,819
Academy Income	(87,035)	341,387	220,127	-
Memorial Gardens Income	19,717	29,404	27,264	28,981
Bookstore Income	(4,439)	23,199	17,102	18,103
Estate Donations	750,000	1,500,000	1,511,250	1,556,588
Other Receipts	232,672	337,786	204,420	210,552
Total Segment Income	4,600,040	8,886,988	8,484,687	8,420,493
General and Administrative Expense				
Professional Fees	(1,402,095)	(701,023)	(806,034)	(828,495)
Payroll and Benefits	(883,803)	(1,785,282)	(1,820,988)	(1,866,603)
Utilities	(451,592)	(847,798)	(573,476)	(505,938)
Repairs and Maintenance	(240,057)	(446,272)	(207,963)	(155,250)
Insurance	(190,572)	(431,653)	(441,265)	(454,503)
Other	(143,465)	(322,662)	(329,984)	(339,883)
Building Lease	(197,628)	(399,208)	(408,201)	(420,447)
Campus Lease	-	(2,580,000)	(2,634,000)	(1,909,620)
Property Taxes	(29,500)	(265,000)	(270,300)	(176,452)
Furniture and Fixtures	(39,792)	(80,379)	(82,190)	(84,655)
Supplies, Printing, and Postage	(24,876)	(49,933)	(51,069)	(52,601)
General and Administrative Expense	(3,603,380)	(7,909,212)	(7,625,469)	(6,794,447)
Cash Flow From Operations	996,659	977,776	859,218	1,626,046
Proceeds From Real Property Sales, Net	-	50,430,000	-	-
Release of Restricted Cash	200,000	400,000	400,000	400,000
Adequate Protection on Class 3 Secured Claims	(600,000)	-	-	-
Principal Payments, Class 3 Secured Claims	-	(36,998,594)	-	-
Principal Payments, Class 4 Secured Claims	-	(887,000)	-	-
Payments on Class 6, 7 Secured Claims	-	(120,859)	-	-
Payments on Class 8 Secured Claim	-	(100,000)	-	-
Payments to Class 13 Unsecured Creditors	-	(12,485,471)	-	-
Payments to Class 14 Unsecured Creditors (Insiders)	-	(900,000)	(900,000)	(229,259)
Capital Expenditures	(200,000)	(400,000)	(400,000)	(400,000)
Net Cash Flow	396,659	(84,148)	(40,782)	1,396,787
Ending Cash	\$ 4,071,948	\$ 3,757,085	\$ 3,716,303	\$ 5,113,090

Crystal Cathedral Ministries, Debtor and DIP

Sources & Uses of Cash
Creditors' Plan of Reorganization

	Ch 11 Period July - Dec 2011	Year 1	Year 2	Year 3	Post Ch 11 Total
Beginning Cash	\$ 3,675,289	\$ 4,071,948	\$ 3,757,085	\$ 3,716,303	\$ 4,071,948
Sources					
Cash Flow from Operations	996,659	977,776	859,218	1,626,046	3,463,040
Campus Sale, Net	-	49,500,000	-	-	49,500,000
Condo Sale, Net	-	930,000	-	-	930,000
Other Asset Sales, Net	-	-	-	-	-
Release of Restricted Cash	200,000	400,000	400,000	400,000	1,200,000
Total Sources	1,196,659	51,807,776	1,259,218	2,026,046	55,093,040
Uses					
Effective Date Payments, Net	-	230,716	-	-	230,716
F&M Repayment, including Adequate Protection	600,000	36,998,594	-	-	36,998,594
Condo Loan Repayment	-	887,000	-	-	887,000
Payments to General Unsecured Creditors	-	-	-	-	-
Payment from Cash on Hand	-	-	-	-	-
Campus Net Proceeds	-	12,485,471	-	-	12,485,471
Condo Net Proceeds	-	-	-	-	-
Other Asset Sales	-	-	-	-	-
Monthly Payments	-	-	-	-	-
Payments to General Unsecured Creditors (Insiders)	-	900,000	900,000	229,259	2,029,259
Payment of Priority Tax Claims	-	-	-	-	-
Payments for Other Secured Claims	-	220,859	-	-	220,859
Capex	200,000	400,000	400,000	400,000	1,200,000
Total Uses	800,000	52,122,640	1,300,000	629,259	54,051,899
Cash Additions (Deductions)	396,659	(314,863)	(40,782)	1,396,787	1,041,142
Ending Cash	\$ 4,071,948	\$ 3,757,085	\$ 3,716,303	\$ 5,113,090	\$ 5,113,090

Summary - Funding of the Plan	
Sources	
Real Estate Asset Sales, Net	50,430,000
Other Asset Sales, Net	-
Beginning Cash	4,071,948
Operating Cash Flow	3,463,040
	57,964,989
Uses	
Effective Date Payments, Net	230,716
Plan Payments, Secured Creditors	38,106,453
Plan Payments, Unsecured Creditors (Non-Insider)	12,485,471
Payments on New Chapman Loan	-
Plan Payments, Unsecured Creditors (Insider)	2,029,259
	52,851,899
Ending Cash - Excess (Deficiency)	5,113,090

INSIDER COMPENSATION

Name of Insider	Position	Gross Compensation	Time Interval
Coleman, James	Creative Services Director	\$6,004.23	Bi-weekly
Coleman, Sheila	Executive Director of Ministries and Mission	\$2,674.04	Bi-weekly
Denison, Ashley	Transcriber, TV Programming/Part Time	\$11.40	Hour
Denison, Courtney	Transcriber, TV Programming/Seasonal	\$8.00	Hour
Denison, Spencer	Transcriber, TV Programming/Part Time	\$8.00	Hour
Dunn, Jeanne	Promotion of Glories Administration	\$0.00	
Dunn, Paul	Playwright, Glories Administration	\$0.00	
Kirchner, Diane	Prodman, TV Production	\$1,683.37	Bi-weekly
Klaassen, Alfred Nick	Facilities Director, Facilities Engineering	\$2,423.08	Bi-weekly
Klaassen, Neva Penner	Administrative Assistant, TV Programming	\$2,119.23	Bi-weekly
Milner, Carol	Assistant to Founding Pastor	\$0.00	
Milner, Timothy	Consultant to Founding Pastor	\$0.00	
Mysse, Michael	Security Manager	\$16.00	Hour
Penner, Gretchen	Manager, TV Programming	\$1,337.02	Bi-weekly
Penner, James	Executive Producer, TV Production	\$6,004.23	Bi-weekly

Name of Insider	Position	Gross Compensation	Time Interval
Penner, Paige	Part Time Administrative Assistant, Facilities Engineering	\$9.00	Hour
Schuller, Arvella	Creative Consulting Services	\$0.00	
Schuller, Robert H.	Creative Consulting Services	TBD	

NOTE: When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 2030 Main Street, Suite 1200, Irvine, CA 92614.

A true and correct copy of the foregoing document described as **DISCLOSURE STATEMENT DESCRIBING CHAPTER 11 PLAN FILED BY COMMITTEE OF CREDITORS HOLDING UNSECURED CLAIMS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF") – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On August 9, 2011, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

- Jeffrey W Broker jbroker@brokerlaw.biz
- Frank Cadigan frank.cadigan@usdoj.gov
- Mark R Campbell mcampbell@markcampbellllaw.com
- Cathrine M Castaldi ccastaldi@rusmiliband.com
- Patricia A Cirucci patricia.cirucci@sce.com
- Jeff Cohen JC@SouthpawAsset.com
- Don Fisher dfisher@ptwww.com
- Bernard R Given bgiven@frandzel.com,
efiling@frandzel.com;shom@frandzel.com;bgiven@frandzel.com
- Robert P Goe kmurphy@goeforlaw.com, rgoe@goeforlaw.com;mforsythe@goeforlaw.com
- Marshall F Goldberg mgoldberg@glassgoldberg.com
- Carl Grumer cgrumer@manatt.com
- Kavita Gupta kgupta@winthropcouchot.com
- Edward S Kim ekim@hemar-rousso.com
- Steven B Lever sblever@leverlaw.com
- Craig A Loren aloren@debtacquisitiongroup.com,
bschwab@debtacquisitiongroup.com;jsarachek@debtacquisitiongroup.com
- Lawrence C Meyerson lcmlaw@earthlink.net
- Michael S Mitchell mike@demarcomitchell.com
- John D Monte johnmontelaw@gmail.com
- Vahak Papasian vahak@vaplaw.com, test@ecf.inforuptcy.com;vahak@ecf.inforuptcy.com
- Sue Y Park sparkcallahan@gmail.com
- Thomas J Polis tom@polis-law.com
- Richard J Reynolds glatimer@trlawyers.com
- Christopher O Rivas crivas@reedsmith.com
- Meghan C Sherrill meghan.sherrill@troutmansanders.com
- Ramesh Singh claims@recoverycorp.com
- Edward J Tredinnick etredinnick@greeneradovsky.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- Michael A Wallin mwallin@sheppardmullin.com

This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

- Andrew F Whatnall awhatnall@daca4.com
- Marc J Winthrop mwinthrop@winthropcouchot.com, pj@winthropcouchot.com
- Arnold H Wuhrman Wuhrman@serenitylls.com
- Pamela Jan Zylstra zylstralaw@gmail.com

☐ Service information continued on attached page

II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL (indicate method for each person or entity served):

On August 9, 2011, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL (indicate method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on August 9, 2011, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Via Personal Delivery: Honorable Robert Kwan, U.S. Bankruptcy Court, Ronald Reagan Federal Building, 411 W. Fourth St., Bin Outside Room 5097, Santa Ana, CA 92701-4593

☒ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

August 9, 2011
Date

Arlene Tavares
Type Name

Arlene Tavares
Signature

Service Via U.S. Mail

(Unless NEF or Email indicated)

Crystal Cathedral Ministries
Attn: Gwyn Myers, CRO
13280 Chapman Avenue
Garden Grove, CA 92840-4414

United States Trustee's Office
Attn: Frank Cadigan, Esq.
411 West Fourth Street., #9041
Santa Ana, CA 92701

Credit Managers Association
Attn: Charles Klaus
40 East Verdugo Avenue
Burbank, CA 91502

F&M Bank of Long Beach
c/o Michael Leight, Esq.
6700 Pacific Coast Highway, #237
Long Beach, CA 90803

F&M Bank of Long Beach
c/o Lawrence C. Meyerson, Esq.
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Marina Del Rey, CA 90292

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Dr. Robert H. Schuller
c/o Mark R. Campbell, Esq.
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Anaheim, CA 92805

Judy A. Quan, Esq.
Gardner & Quan, Inc.
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Newport Beach, Ca 92660

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1901 Ave of the Stars, #1100
Los Angeles, CA 90067-6002

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PNCEF, LLC
c/o Marshal F. Goldberg, Esq.
Glass & Goldberg

NEF 11/1/10
Templey Inc.
c/o Callahan & Blaine, APLC
Stephen E. Blaine, Esq.
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